Bill No. S-80-06-05 Special Ordinance No. S-70-80

ORDINANCE AUTHORIZING THE CITY OF FORT WAYNE TO ISSUE ITS "ECONOMIC DEVELOPMENT FIRST MORTGAGE REVENUE BONDS (P.F.D. PROJECT)" AND APPROVING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the Fort Wayne Economic Development Commission has rendered its Project Report for the P.F.D. Project regarding the financing of proposed economic development facilities for P.F.D., an Indiana general partnership (the "Company") and the Fort Wayne Planning Commission has commented favorably thereon, and

WHEREAS, the Fort Wayne Economic Development Commission conducted a public hearing on May 1, 1980, and also adopted a resolution on said date, which resolution has been transmitted hereto, finding that the financing of certain economic development facilities to be leased to the company complies with the purposes and provisions of I.C. 18-6-4.5 and that such financing will be of benefit to the health and welfare of the City of Fort Wayne and its citizens; and

WHEREAS, the Fort Wayne Economic Development Commission has heretofore approved and recommended the adoption of this form of Ordinance by this Common Council and has approved the forms of and has transmitted for approval by the Common Council the Lease Agreement, and Mortgage and Indenture of Trust; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, THAT:

Section 1. It is hereby found that the financing of the economic development facilities referred to in the Lease Agreement approved by the Fort Wayne Economic Development Commission and presented to this Common Council, from the Company, the issuance and sale of revenue bonds, the use of the proceeds of the revenue bonds for the financing of the acquisition and construction of such facilities and the lease thereof to the Company, the payment of the revenue bonds by the Lease payments of the Company under the Lease Agreement, and the securing of said bonds by the mortgaging of such facilities to the Trustee under the Mortgage and Indenture of Trust, complies with the purposes and provisions of I.D. 18-6-4.5

and will be of benefit to the health and welfare of the City of Fort Wayne and its citizens.

Section 2. The final forms of the Lease Agreement, and Mortgage and Indenture of Trust approved by the Fort Wayne Economic Development Commission are hereby approved and all such documents (herein collectively referred to as the "Financing Agreement" referred to in I.C. 18-6-4.5), shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk.

Section 3. The City of Fort Wayne shall issue its Economic Development First Mortgage Revenue Bonds (P.F.D. Project), in the total principal amount of Seven Hundred Eighty Thousand Dollars ($780,000) for the purpose of procuring funds to finance the costs of acquisition, construction and equipping of the economic development facilities as more particularly set out in the Mortgage and Indenture of Trust and Lease Agreement incorporated herein by reference, which bonds will be payable as to principal, premium, if any, and interest from the rental payments made by the Company under the Lease Agreement or as otherwise provided in the above described Mortgage and Indenture of Trust. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Fort Wayne.

Section 4. The Mayor and Clerk are authorized and directed to sell such bonds to the purchasers thereof at a rate of interest on the bonds not to exceed 65% of the prime interest rate charged by Anthony Wayne Bank, Fort Wayne, Indiana, to its customers during the term of the bonds and at a price not less than 100% of the principal amount thereof.

Section 5. The Mayor and Clerk are authorized and directed to execute the documents constituting the Financing Agreement approved herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the bonds authorized herein. The signatures of the Mayor and Clerk may be facsimile signatures. The Clerk is authorized to

arrange for delivery of such Bonds to the Trustee named in the Mortgage and Indenture of Trust, payment for which will be made to the Trustee named in the Mortgage and Indenture of Trust and delivered by the Trustee to the purchasers thereof.

Section 6. The provisions of this Ordinance and the Mortgage and Indenture of Trust securing the bonds shall constitute a contract binding between the City of Fort Wayne and the holders of the Economic Development First Mortgage Revenue Bonds (P.F.D. Project), and after the issuance of said bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said bonds or the interest thereon remains unpaid.

Section 7. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Passed and adopted this _____day of _____, 1980.

_____
Councilperson

Approved as to
form and legality

_____
City Attorney

Read the first time in full and on motion by Stier, seconded by Eisbart, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19____, at _____ o'clock ____ M., E.S.T.

DATE: 6/24/80

Charles W. Westerman /ne
CHARLES W. WESTERMAN
CITY CLERK

Read the third time in full and on motion by Stier, seconded by Sulsner, and duly adopted, placed on its passage. PASSED (~~LOST~~) by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT	TO-WIT:
TOTAL VOTES	9				
BURNS	X				
EISBART	X				
GiaQUINTA	X				
NUCKOLS	X				
SCHMIDT, D.	X				
SCHMIDT, V.	X				
SCHOMBURG	X				
STIER	X				
TALARICO	X				

DATE: 7-8-80

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (APPROPRIATION) ORDINANCE (RESOLUTION) No. S-70-80

on the 8th day of July, 19 80.

ATTEST: (SEAL)

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Vivian G. Schmidt
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 9th day of July, 19 80, at the hour of 11:30 o'clock A. M., E.S.T.

Charles W. Westerman
CHARLES W. WESTERMAN - CITY CLERK

Approved and signed by me this 9th day of July 19 80, at the hour of 4 o'clock P M., E.S.T.

WINFIELD C. MOSES, JR.
MAYOR

BILL NO. S-80-06-05

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN ORDINANCE AUTHORIZING THE CITY OF FORT WAYNE TO ISSUE ITS "ECONOMIC DEVELOPMENT FIRST MORTGAGE REVENUE BONDS (P.F.D. PROJECT)" AND APPROVING OTHER ACTIONS IN RESPECT THERETO

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE do PASS.

JAMES S. STIER, CHAIRMAN

MARK GiaQUINTA, VICE CHAIRMAN

BEN EISBART

PAUL M. BURNS

DONALD J. SCHMIDT

7-8-80

DATE CONCURRED IN

CHARLES W. WESTERMAN, CITY CLERK

DIGEST SHEET

TITLE OF ORDINANCE: Special Ordinance S-80-06-05

DEPARTMENT REQUESTING ORDINANCE: Economic Development Commission

SYNOPSIS OF ORDINANCE: An ordinance authorizing the City of Fort Wayne to Issue its "Economic Development First Mortgage Revenue Bonds (P.F.D. Project)" and approving other actions in respect thereto.

EFFECT OF PASSAGE: Provide financing for Economic Development facilities.

EFFECT OF NON-PASSAGE: Would force this organization to go elsewhere for financing, possibly jeopardizing the project.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS): $ 780,000.00

ASSIGNED TO COMMITTEE: Finance

MORTGAGE AND INDENTURE OF TRUST

CITY OF FORT WAYNE, INDIANA

TO

ANTHONY WAYNE BANK, AS TRUSTEE

City of Fort Wayne Economic Development
First Mortgage Revenue Bonds
(P.F.D. Project)

Dated as of August 1, 1980

Total Issue $780,000

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MORTGAGE AND INDENTURE OF TRUST

THIS MORTGAGE AND INDENTURE OF TRUST (hereinafter referred to as "Indenture") dated as of the first day of August, 1980, by and between the CITY OF FORT WAYNE, INDIANA, a municipal corporation organized and existing in the County of Allen, State of Indiana (hereinafter sometimes referred to as the "Issuer"), and THE ANTHONY WAYNE BANK, a banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, with its principal office at 203 East Berry Street, Fort Wayne, Indiana, 46802, as Trustee;

WITNESSETH:

WHEREAS, upon recommendation of the City of Fort Wayne Economic Development Commission, the Common Council of the Issuer has by the adoption of an ordinance determined to issue its City of Fort Wayne Economic Development First Mortgage Revenue Bonds (P.F.D. Project), in the aggregate principal amount of $780,000 (hereinafter sometimes referred to as the "Bonds"); and

WHEREAS, the Issuer has caused all actions to be taken which are required by the laws and statutes of the State of Indiana for the authorization, issuance and sale of the Bonds; and

WHEREAS, the Bonds, the interest coupons to be attached to the coupon Bonds, if any, of such series, and the Trustee's certificate of authentication to be endorsed thereon, are all to be in substantially the following forms; to-wit:

(Form of Fully Registered Bond)

CITY OF FORT WAYNE
ECONOMIC DEVELOPMENT FIRST MORTGAGE
REVENUE BONDS

(P.F.D. PROJECT)

No. R-156 $780,000

KNOW ALL MEN BY THESE PRESENTS, that the City of Fort Wayne, Indiana (hereinafter sometimes called the "Issuer"), a municipal corporation organized and existing under the constitution and laws of the State of Indiana in the County of Allen, State of Indiana, for value received, promises to pay to Anthony Wayne Bank, or registered assigns, but solely from the sources and in the manner hereinafter provided, the principal sum of

SEVEN HUNDRED EIGHTY THOUSAND DOLLARS

in one hundred eighty (180) equal consecutive monthly installments of SIX THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS ($6,224) per month commencing September 1, 1980, and continuing until August 1, 1995, at which time all remaining principal and interest on this Bond shall be due, which payments include interest thereon from the date hereof at the per annum rate of sixty-five (65%) of the commercial prime interest rate charged by Anthony Wayne Bank during the term of this bond, which prime interest rate shall be computed semi-annually on March 1 and September 1 of each year, payable September 1, 1980, and monthly thereafter on the first day of each month, until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. Both principal of and interest on this Bond being payable in lawful money of the United States of America by check or draft mailed to the registered holder hereof at such holder's address as it appears on the registration books of the Issuer. Payments of principal and interest shall be noted on the payment record attached hereto and shall evidence payment of interest and the principal amount hereof outstanding from time to time. This Bond must be presented and surrendered to the Trustee for payment when such payment results from the final maturity of the Bond or form complete redemption thereof prior to maturity.

This Bond is a duly authorized Economic Development First Mortgage Revenue Bond (P.F.D. Project) issuable under the hereinafter described Indenture in the principal amount of Seven Hundred Eighty Thousand Dollars ($780,000) (hereinafter referred to as the "Bond") for the purpose of providing funds to finance, in whole or in part, the cost of acquiring real estate, interests in real estate, buildings, equipment and personal property in connection therewith (such real estate, interests in real estate, buildings, equipment and personal property being hereinafter called the "Project"), and paying expenses incidental thereto, so as to increase employment and promote the diversification of commerce in and near the City of Fort Wayne, Indiana.

The Project has been leased by the Issuer to P.F.D., an Indiana general partnership (hereinafter called the "Lessee"), under the terms of a Lease Agreement dated as of August 1, 1980 (which agreement, as from time to time supplemented and amended, is hereinafter referred to as the "Lease"). The Lessee has an option to purchase the Project at the conclusion of the term of the Lease and has been granted an option to purchase the Project prior to the conclusion of such term under certain circumstances described in the Lease.

The Bond is issued under and is secured by and entitled to the security of a Mortgage and Indenture of Trust dated as of August 1, 1980, (hereinafter referred to as the "Indenture"), duly executed and delivered by the Issuer to Anthony Wayne Bank, as Trustee (the term "Trustee" where used herein referring to said Trustee or its successors in said trust), which Indenture is recorded in the office of said Recorder of Allen County, Indiana.

It is provided in the Indenture that the Issuer may hereafter issue Additional Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained therein, and if issued, such Additional Bonds will rank pari passu with the Bond. Reference is made to the Indenture and to all indentures supplemental thereto for a description of the property mortgaged, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the rights of the holders of the Bond, the issuance of Additional Bonds and the terms on which the Bond is or may be issued and secured, to all the provisions of which the holder hereof by the acceptance of this Bond assents.

This Bond is initially issued as a fully registered Bond and is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the corporate trust office of the Trustee in Fort Wayne, Indiana, but only in the manner, subject to the limitations and upon

payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds without coupons of the same series and the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes, and neither the Issuer nor the Trustee or any paying agent shall be affected by any notice to the contrary.

The Bond is callable for redemption in the event (1) of damage to or destruction of the Project or any part thereof or condemnation of the Project or any part thereof, both to the extent provided in Article VII of the Lease, or (2) the Lessee shall exercise its option to purchase the Project or the interest of the Issuer in the Project as provided in Subsections (a), (b) or (c) of Section 11.2 of the Lease, or (3) a Determination of Taxability (as defined in the Indenture) occurs pursuant to Section 11.6 of the Lease. If called for redemption in either of the events referred to in clause (1) or (2) of this paragraph, the Bond shall be subject to redemption by the Issuer on any interest payment date in whole, or (in the case of redemption pursuant to Article VII of the Lease) in part, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date. If called for redemption as a result of the event referred to in clause (3) of this paragraph, the Bond shall be redeemed at the earliest practicable date selected by the Trustee and approved by the Lessee, but in any event within one hundred eighty (180) days following the date of the Determination of Taxability, as a whole at a redemption price of (100% of the principal amount of the then outstanding Bonds on the date of the Determination of Taxability, plus accrued interest to the redemption date, plus the amount of the Bondholder's tax liability to the date of redemption (calculated at the Bondholder's actual tax rate, but not to exceed a 46% tax rate), if the Determination of Taxability results from any act or omission to act on the part of the Lessee or any sublessee, or (b) 100% of the principal amount of the then outstanding Bond on the date of the Determination of Taxability, plus accrued interest to the redemption date, if the Determination of Taxability does not result from any act or omission to act on the part of the Lessee or any sublessee.

The Bond is also subject to redemption, in whole, prior to maturity by the Issuer at the direction of the Lessee on September 1, 1980, or on any interest payment date thereafter, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.

This Bond is issued pursuant to and in full compliance with the constitution and laws of the State of Indiana, particularly Sections 18-6-4.5-1 to 18-6-4.5-40, inclusive, of the Indiana Code of 1971, as supplemented and amended, and pursuant to an ordinance adopted and approved by the Common Council of the Issuer, which ordinance authorizes the execution and delivery of the Indenture and Lease.

These Bonds are a limited obligation of the Issuer and is payable solely from the revenues and other amounts derived from the leasing or sale of the Project and otherwise as provided in the Indenture and the Lease. Pursuant to the provisions of the Lease, rental payments sufficient for the prompt payment when due of the principal of, premium (if any) and interest on the Bond is to be paid by the Lessee to the Trustee for the account of the Issuer and deposited in a special account created by the Issuer and designated "Fort Wayne Economic Development First Mortgage Revenue Bond Fund - P.F.D. Project", and such rental payments have been duly pledged for that purpose, the rights of the Issuer under the Lease have been assigned to the Trustee, and the Project has been mortgaged under the Indenture to secure payment of such principal, premium, if any, and interest.

The Bond is not secured by any obligation or pledge of any moneys received, or to be received, from taxation or from the State of Indiana or any political subdivision or taxing district thereof and does not now and never shall constitute a charge against the general credit or taxing powers of the Issuer, nor against the general credit or taxing powers of the State of Indiana or any political subdivision thereof, pursuant to the constitution and laws of the State of Indiana.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of these Bonds may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

The Bond shall not constitute the personal obligation, either jointly or severally, of the members of the Common Council of the Issuer or of any of the officers of the Issuer.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the series of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereof shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the City of Fort Wayne, Indiana, has caused this Bond to be executed in its name by the facsimile signature of its Mayor and attested by the facsimile signature of its Clerk, and a facsimile of its corporate seal to be affixed hereto or reproduced hereon, all as of the first day of _____, 1980.

CITY OF FORT WAYNE, INDIANA

By_____
Mayor

(SEAL)

Attest:

_____
Clerk

(Form of Trustee's Certificate of Authentication)

This Bond is the Bond described in the within-mentioned Mortgage and Indenture of Trust.

ANTHONY WAYNE BANK, as Trustee

By_____
Authorized Officer

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ _____ (print or type name and address of transferree) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the Presence of: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the Bond.

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid lien on the properties mortgaged and a valid assignment and pledge of the rentals and revenues derived from the Lease herein made to the payment of the principal of and interest on the Bonds, and a valid assignment of the rights of the Issuer under the Lease, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS MORTGAGE AND INDENTURE OF TRUST WITNESSETH:

That the Issuer in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, One Dollar duly paid to the Issuer by the Trustee at or before the execution and delivery of these presents, and of other good and valuable considerations, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, interest and any other sums payable on the Bonds outstanding hereunder from time to time, according to their tenor and effect, and to secure the observance and performance by the Issuer of all covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, mortgage, assign and pledge unto the Trustee, (to the extent of its legal capacity to hold the same for the purposes hereof), and unto its successors in trust, and to its assigns forever, all of the Issuer's estate, right, title and interest in, to and under any and all of the following described property rights and interests (herein called the "Mortgaged Property" or "Trust Estate" or "property herein conveyed"):

GRANTING CLAUSE FIRST

The right, title and interest of the Issuer in the real estate described under the heading "Leased Land" in Exhibit A attached hereto and made a part hereof, together with the entire interest of the Issuer in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed, upon such real estate, relating to the construction of the Project including all right, title and interest of the Issuer, if any, in and to all building material, building equipment and fixtures of every kind and nature whatsoever on said real estate relating to the construction of the Project or in any building, structure or improvement now or hereafter standing on said real estate but only to the extent that such building material, building equipment and fixtures are intended to be used for the construction

of the Project, and the reversion or reversions, remainder or remainders, in and to said real estate and together with the entire interest of the Issuer in and to all and singular the tenements, hereditaments, easements, rights-of-ways, rights, privileges and appurtenances to said real estate, belonging or in anywise appertaining thereto, and all claims or demands whatsoever of the Issuer either at law or in equity, in possession or expectancy of, in and to said real estate, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the Issuer and is affixed or attached or annexed to said real estate, shall be and remain or become and constitute a portion of said real estate and the security covered by and subject to the lien of this Indenture, and together with all rents, income, revenues, issues and profits thereof, and the present and continuing right to make claim for, collect, receive and receipt for any and all of such rents, income, revenues, issues and profits arising therefrom or in connection therewith; subject, however, to Permitted Encumbrances.

GRANTING CLAUSE SECOND

The Lease including all extensions and renewals of the term thereof, if any, together with all right, title and interest of the Issuer, as Lessor therein, thereto and thereunder, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any of the rents, income, revenues, issues and profits and other sums of money payable or receivable thereunder, whether payable as rents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer or any lessor is or may become entitled to do under the Lease, provided, that the assignment made by this clause shall not impair or dimish any obligation of the Issuer under the provisions of the Lease.

GRANTING CLAUSE THIRD

All moneys and securities from time to time held by the Trustee under the terms of this Indenture and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone in its behalf, or with its written consent to the Trustee which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

GRANTING CLAUSE FOURTH

The machinery, equipment and other tangible personal property owned by the Issuer and described in Exhibit B attached hereto and made a part hereof (which machinery, equipment and property is to be located on the real estate described in Exhibit A attached hereto and made a part hereof), excluding property installed by the Lessee pursuant to Section 6.1 and 9.7 of the Lease, together with all other machinery, equipment and further tangible personal property which is now owned or hereafter acquired by the Issuer and which is now or at any time hereafter located on the real estate described in Exhibit A attached hereto and made a part hereof, excluding property installed by the Lessee pursuant to Sections 6.1 and 9.7 of the Lease; subject, however, to Permitted Encumbrances.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future holders and owners of the Bonds, and the bearers of all coupons appertaining thereto, if any, from time to time, issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds or coupons appertaining thereto, if any, over any of the others of the Bonds or coupons, if any, except as expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds and the interest coupons, if any, appertaining to the Bonds, respectively, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article V hereof or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

THIS MORTGAGE AND INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the lease rentals, revenues and receipts, hereby mortgaged or pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders and owners from time to time of the said Bonds or coupons, if any, or any part thereof, as follows (subject, however, to the provisions of Section 203 hereof):

ARTICLE I

Definitions

In addition to the words and terms defined in the Lease which are incorporated herein and adopted by reference as if fully set forth and in addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless the context or use indicates another or different meaning or intent:

"Bondholder" or "holder" or "owner of the Bonds" means the bearer of any coupon Bond not registered as to principal or registered to bearer or the registered owner of any coupon Bond registered as to principal (except to bearer) and the registered owner of any fully registered Bond.

The term "coupon" means the coupons issued hereunder evidencing the semiannual installments of interest on the applicable Bond or Bonds. If the Bonds are issuable under Section 202 hereof solely as registered Bonds without coupons, all references to "coupon" or "coupons bonds" herein should be disregarded, except as such term could become applicable to Additional Bonds, if any are authorized under this Indenture.

The term "default" means those defaults specified in and defined by Section 1001 hereof.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all expenses incurred by the Trustee under the Indenture other than Ordinary Services and Ordinary Expenses.

"Lease" means the Lease Agreement executed by and between the Issuer and the Lessee of even date herewith.

"Mortgaged Property" means the properties comprising the Mortgaged Project, more particularly described in the granting clauses hereof, including the properties leased to the Lessee under the Lease, as well as all properties which, under the terms hereof, are or subsequently become subject to the lien of this Indenture, but excluding all property owned by the Lessee and title to which remains in the Lessee under the terms of the Lease.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those expenses

normally incurred by a trustee under instruments similar to this Indenture.

The term "outstanding" or "Bonds outstanding" means all Bonds which have been duly authenticated, and delivered by the Trustee under this Indenture, except:

a. Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

b. Bonds for the payment or redemption of which cash funds shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

c. Bonds in lieu of which others have been authenticated under Section 209.

"Person" means natural persons, firms, associations, corporations and public bodies.

The term "Trust Estate" or "property herein conveyed" means the Mortgaged Property.

"Trustee" means the trustee hereunder or any successor trustee pursuant to Sections 1105 or 1108 serving as successor trustee hereunder.

(End of Article I)

ARTICLE II

The Bonds

Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued is hereby expressly limited to $780,000.

Section 202. Issuance of Bonds. The Bonds shall be designated City of Fort Wayne Economic Development First Mortgage Revenue Bonds (P.F.D. Project). The Bonds shall bear interest from their respective dates and shall be issuable as fully registered bonds without coupons in the denominations of $5,000 or any whole multiple thereof. Unless the Issuer shall otherwise direct, the Bonds shall be lettered and numbered as follows: the fully registered Bonds shall be lettered and numbered R-1 and upward, except each fully registered Bond issued in a denomination in excess of $5,000 shall have reserved and assigned to such Bond such letters and numbers as reflect one letter and number for each $5,000 amount included in such Bond.

The Bonds shall bear interest per annum at the rate of sixty-five percent (65%) of the commercial prime interest rate charged by Anthony Wayne Bank during the term of this and which prime interest rate shall be computed semi-annually on March 1 and September 1 of each year. Principal and interest shall be payable in one hundred eighty (180) equal consecutive monthly installments of SIX THOUSAND TWO HUNDRED NINETY-FOUR DOLLARS $6,294) per month commencing September 1, 1980, and continuing until August 1, 1995, at which time and remaining principal and interest on the Bonds shall be due.

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Coupon Bonds, if any, and the interest thereon, except as otherwise provided in the case of registration thereof, shall be payable to bearer at the principal office of the Trustee. Payment of the interest on the coupon Bonds, if any, shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively falls

due. Payment of the interest on the fully registered Bonds, if any, on any interest payment date shall be made to the person appearing on the Bond registration books of the Issuer as the registered owner thereof and shall be paid by check or draft mailed to the registered owner at his address as it appears on such registration books or at such other address as is furnished the Trustee in writing by such holder.

Section 203. Execution; Limited Obligations. The Bonds shall be executed on behalf of the Issuer with the official manual or facsimile signature of its Mayor and attested with the official manual or facsimile signature of its Clerk, and shall have imprinted, impressed or affixed thereon the corporate seal of the Issuer. The coupons attached to the Bonds, if any, shall be executed by the facsimiles of the official signatures of the Mayor and Clerk, and such facsimiles shall have the same force and effect as if said Mayor and Clerk had manually signed each of said Bonds and coupons, if any.

The Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the revenues and other amounts derived from the leasing or sale of the Project (except to the extent paid out of moneys attributable to the Bond proceeds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) and shall be a valid claim of the respective holders thereof only against the Bond Fund and other moneys held by the Trustee and the revenues and other amounts derived from the leasing or sale of the Project (but in addition shall be secured by a mortgage lien on the Project and a pledge of the Lease), which revenues and other amounts are hereby pledged and mortgaged for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and the interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. The Bonds and interest coupons, if any, do not now and shall never constitute a charge against the general credit or taxing powers of the City of Fort Wayne, Indiana.

In case any official whose signature or facsimile of whose signature shall appear on the Bonds or coupons, if any, shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

Section 204. Authentication. No Bond and no coupon, if any, appertaining to any Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this

Indenture unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture.

The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all the Bonds issued hereunder. Before authenticating or delivering coupon Bonds, if any, the Trustee shall detach and cancel all matured coupons, if any, appertaining thereto, and such cancelled coupons shall be cremated or otherwise destroyed by the Trustee. The Trustee shall provide the Issuer and the Lessee a certificate certifying such cremation or other destruction.

Section 205. Form of Bonds. The Bonds issued under this Indenture and the coupons, if any, attached thereto shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

Section 206. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds to be issued in the aggregate principal amount of $780,000 and deliver them to the purchasers as may be directed by the Issuer as hereinafter in this Section 206 provided.

Prior to the delivery by the Trustee of any of the Bonds, there shall be filed with the Trustee:

1. A copy, duly certified by the Clerk of the Issuer, of the ordinance authorizing the issuance of such Bonds.

2. An original executed counterpart of the Lease and this Indenture.

3. Evidence of the fact that the Issuer or Lessee has procured title insurance or a binder for such title insurance in the form of an ALTA owner-mortgagee title policy in the face amount of $780,000 issued by a company duly authorized to issue same.

4. The written opinion of the Issuer's attorney or Independent Counsel expressing the conclusion that, in reliance upon said title policy, the Issuer has good and

marketable title to the real estate described in Exhibit A attached hereto and made a part hereof (subject to Permitted Encumbrances).

5. A request and authorization to the Trustee on behalf of the Issuer and signed by the Mayor and the Clerk to authenticate and deliver the Bonds in an aggregate principal amount not to exceed $780,000 to the purchasers therein identified upon payment to the Trustee, but for account of the Issuer, of a sum specified in such request and authorization, plus accrued interest thereon to the date of delivery, plus capitalized interest if provided for in the Lease. Such proceeds shall be paid over to the Trustee and deposited to the credit of the Bond Fund and Project Fund as hereinafter provided.

6. The written opinion of the Issuer's attorney or Independent Counsel expressing the conclusion that the execution, filing and recordation of this Indenture and the Lease have been duly accomplished and setting forth the particulars thereof.

Section 207. Priority Over Other Liens. This Indenture is given in order to secure funds to pay for either new construction, acquisition, improvement or reconstruction, and by reason thereof it is intended that this Indenture shall be superior to any laborers', mechanics', or materialmen's liens which may be placed upon the Project.

Section 208. Mutilated, Lost, Stolen, or Destroyed Bonds or Coupons. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed (which new Bond shall have attached thereto coupons corresponding in all respects to those, if any, on the Bond mutilated, lost, stolen or destroyed); and in the event any coupon is mutilated, lost, stolen or destroyed, the Issuer may execute a new coupon corresponding in all respects to that coupon which was mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated coupon or Bond, such mutilated coupon or Bond together with all coupons, if any, appertaining thereto shall first be surrendered to the Issuer, and in the case of any lost, stolen or destroyed coupon or Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them.

In the event any such Bond or coupon shall have matured, instead of issuing a duplicate Bond or coupon, the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the holder or owner of such Bond or coupon with their reasonable fees and expenses in this connection.

Section 209. Registration of Bonds; Transfer of Bonds; Persons Treated as Owners. Title to any coupon Bond, unless such Bond is registered in the manner hereinafter provided, and to any interest coupon shall pass by delivery in the same manner as a negotiable instrument payable to bearer. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer.

At the option of the bearer, any coupon Bond may be registered as to principal alone on such books upon presentation thereof to the Trustee which shall make notation of such registration thereon. Any coupon Bond registered as to principal alone may thereafter be transferred only upon an assignment duly executed by the registered owner or his attorney in such form as shall be satisfactory to the Trustee, such transfer to be made on such books and endorsed on the Bond by the Trustee. Such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of any Bond registered as to principal alone, unless registered to bearer, shall be payable only to or upon the order of the registered owner or his legal representative, but the coupons appertaining to any coupon Bond registered as to principal alone shall remain payable to bearer, notwithstanding such registration.

Upon surrender for transfer of any fully registered Bond at the principal office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity for a like aggregate principal amount. Fully registered Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of coupon Bonds (or for a like aggregate principal amount of fully registered Bonds of other authorized denominations) of the same maturity, and coupon Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of fully registered Bonds of authorized denominations of the same maturity.

All coupon Bonds surrendered for exchange and delivered in exchange shall have attached thereto all unmatured coupons appertaining thereto (together with any matured coupons in default appertaining thereto). The Issuer shall execute and the Trustee shall authenticate and deliver coupon Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding.

The execution by the Issuer of any fully registered Bond without coupons of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such registered Bond.

The Trustee shall not be required to transfer or exchange any fully registered Bond during the period of fifteen (15) days next preceding any interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor during a period of fifteen (15) days next preceding publication of a notice of redemption of any Bonds.

As to any Bond registered as to principal alone or as to any fully registered Bond without coupons, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the payment of or on account of the principal of any such coupon Bond registered as to principal alone, or payment of either principal or interest on any fully registered Bond without coupons, shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided.

All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid. The Issuer and the Trustee or any other paying agent may deem and treat the bearer of any coupon Bond which shall not at the time be registered as to principal, and the bearer of any coupon appertaining to any Bond whether such Bond shall be registered as to principal or not, as the absolute owner of such Bond or coupon, as the case may be, whether such Bond or coupon shall be overdue or not, for the purpose of receiving payment thereof and for all other purposes whatsoever, and neither the Issuer nor the Trustee nor any other paying agent shall be affected by any notice to the contrary.

Except in the case of the issuance of a new fully registered Bond because of the partial redemption of a fully registered Bond, the Issuer or the Trustee shall charge the holder of such

Bond the cost of printing such Bond, if any, for each new Bond issued upon any exchange or transfer. In applying the foregoing provisions, Bonds issued for the unredeemed portion of any Bonds shall be deemed to have been originally issued hereunder if the indebtedness evidenced thereby constitutes an unredeemed portion of a Bond and is legally or beneficially owned by one of the original purchasers of Bonds hereunder.

In each case any such first purchaser shall certify such fact to the Trustee at the time of exchange or transfer, and the Trustee shall be entitled to conclusively rely upon any such certificate. Any such certificate need not be acknowledged. In each case before making such exchange or transfer, the Trustee shall require the payment by the Bondholder requesting exchange or transfer, of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 210. Applicability of Bond Terms. The provisions of this Indenture directly relevant to coupons and coupon Bonds or to fully registered Bonds without coupons shall have force and effect only to the extent that the series of Bonds authorized under Section 202 hereof or under any supplemental indentures hereto are issuable as coupon Bonds or fully registered Bonds without coupons, or both.

(End of Article II)

ARTICLE III

Redemption of Bonds Before Maturity

Section 301. Redemption Dates and Prices. The Bonds are callable for redemption in the event (i) of availability of title insurance proceeds or of excess Project Fund moneys or of damage to or destruction of the Project or any part thereof or condemnation of the Project or any part thereof to the extent provided in Sections 3,2, 4.3, 7.1 and 7.2 of the Lease, or (ii) the Lessee shall exercise its option to purchase the Mortgaged Project or the interest of the Issuer in the Mortgaged Project as provided in (a), (b) or (c) of Section 11.2 of the Lease, or (iii) a Determination of Taxability occurs pursuant to Section 11.6 of the Lease.

If called for redemption in either of the events referred to in (i) or (ii) above, the Bonds shall be subject to redemption by the Issuer at any time, in whole or (in the case of redemption pursuant to Sections 3.2, 4.3, 7.1 or 7.2 of the Lease) in part in the inverse order of their maturity (less than all of said Bonds of a single maturity to be selected by lot in such manner as may be designated by the Trustee), at 100% of the principal amount thereof plus accrued interest to the redemption date.

If called for redemption as a result of the event referred to in (iii) above, the Bonds shall be subject to redemption by the Issuer at any time as a whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date plus if the Determination of Taxability shall have found an Event of Taxability to have occurred plus the amount of the Bondholder's taxability to the date of redemption (calculated at the Bondholder's actual tax rate, but not to exceed 46% tax rate).

Any of the Bonds as may be outstanding are also subject to optional redemption by the Issuer prior to maturity on any interest payment date on or after September 1, 1980, in whole or in part, in inverse order of their maturity (less than all of said Bonds of a single maturity to be selected by lot in such manner as may be designated by the Trustee), at the redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.

In the case of registered Bonds without coupons of denominations greater than $5,000, if less than all of such Bonds then outstanding are to be called for redemption, then for all purposes in connection with redemption, each $5,000 of principal amount shall be treated as though it was a separate Bond of the denomination of $5,000 bearing one of the numbers covering a coupon Bond reserved for such registered Bond without coupons. If it is determined that one or more, but not all of the $5,000 units of

principal amount represented by any such registered Bond without coupons is to be called for redemption, then upon notice of intention to redeem such $5,000 unit or units, the owner of such registered Bond without coupons shall forthwith surrender such Bond to the Trustee (1) for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the $5,000 unit or units of principal amount called for redemption and (2) in exchange for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such registered Bond without coupons and of like maturity and interest rate, and such new Bond or Bonds shall be numbered corresponding to the numbers of the $5,000 units of principal amount not called for redemption. New Bonds representing the unredeemed balance of the principal amount of such registered Bond without coupons shall be issued to the registered owner thereof, without charge therefor. If the owner of any such registered Bond without coupons of a denomination greater than $5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the $5,000 unit of units or principal amount called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such $5,000 unit or units of principal amount on and after the date fixed for redemption provided that funds sufficient for the payment of the redemption price shall have been deposited with the Trustee, and shall be available for the redemption of said $5,000 unit or units on the date fixed for redemption and, in such event, such Bond shall not be entitled to the benefit or security of this Indenture to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption and applicable premium, if any) represented by such $5,000 unit or units of principal amount, nor shall new Bonds be thereafter issued corresponding to said unit or units.

Section 302. Notice of Redemption. Notice of the call for any such redemption identifying the Bonds, or portions of fully registered Bonds, to be redeemed shall be given by publication at least twice in a newspaper or financial journal of general circulation published in the City of New York, New York, the first of which shall be published not less than thirty (30) days prior to the redemption date, and in the case of the redemption of Bonds at the time registered as to principal (except to bearer) or both principal and interest, upon mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books, provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds.

If all of said Bonds to be redeemed are at that time registered as to principal (except to bearer), notice by mailing given

by registered or certified mail to the registered owner or owners thereof, at their addresses shown on the registration books, not less than thirty (30) days prior to the date fixed for redemption shall be sufficient, and published notice of the call for redemption need not be given; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which no such failure has occurred.

Prior to the date that the redemption notice is first published or mailed as aforesaid, funds shall be placed with the Trustee to pay such Bonds and accrued interest thereon to the redemption date and the premium, if any. Upon the happening of the above conditions, the Bonds, or portions thereof, thus called shall not thereafter bear interest, shall no longer be protected by this Indenture, and shall not be deemed to be outstanding under the provisions of this Indenture.

Section 303. Cancellation. All Bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed by the Trustee together with any unmatured coupons appertaining thereto, and shall not be reissued, and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Trustee to the Issuer and the Lessee, provided, however, that one or more new fully registered Bonds shall be issued for the unredeemed portion of any fully registered Bond without charge to the holder thereof.

Section 304. Unpaid Coupons. All unpaid interest coupons, if any, which appertain to Bonds so called for redemption and which shall have become payable on or prior to the date fixed for redemption shall continue to be payable to the bearers thereof severally and respectively upon the presentation and surrender of such coupons as provided in Section 202 hereof.

(End of Article III)

ARTICLE IV

General Covenants

Section 401. Payment of Principal and Interest. The Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds and in the coupons, if any, appertaining thereto according to the true intent and meaning thereof. The principal, interest and premium, if any, are payable solely from revenues and other amounts derived from the leasing or sale of the Project and otherwise as provided herein and in the Lease, which revenues and other amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or coupons, if any, or in this Indenture should be considered as pledging any other funds or assets of the Issuer.

Section 402. Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its Common Council pertaining thereto.

The Issuer covenants that it is duly authorized under the constitution and laws of the State of Indiana to issue the Bonds authorized hereby and to execute this Indenture, to mortgage the property described in and mortgaged hereby, and to assign the Lease and pledge the lease rentals and other amounts hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and that the Bonds in the hands of the holders and owners thereof and the coupons, if any, appertaining thereto in the hands of the bearers thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 403. Ownership; Instruments of Further Assurance. The Issuer covenants that it lawfully owns the Leased Land described in Exhibit A attached hereto and made a part hereof, and that it has good and marketable title and estate thereto, and except for Permitted Encumbrances.

The Issuer covenants that it will lawfully acquire and own any machinery, equipment, personal property and related property described in Exhibit B attached hereto and made a part

hereof, and that any machinery, equipment, personal property and related property becoming a part of the Leased Equipment shall be acquired and kept free of all liens and encumbrances except Permitted Encumbrances.

The Issuer covenants that it will defend the title to the Mortgaged Project and each part thereof to the Trustee, for the benefit of the holders and owners of the Bonds and the bearers of the coupons, if any, appertaining thereto against the claims and demands of all persons whomsoever, subject to Permitted Encumbrances.

The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such mortgages or indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, mortgaging, pledging, assigning and confirming unto the Trustee all and singular the property herein described and mortgaged hereby and the rights assigned hereby and the lease rentals and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

The Issuer covenants and agrees that, except as herein and in the Lease provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the lease rentals, revenues and receipts therefrom or of its rights under the Lease. The Issuer agrees that it will, and will cause the Lessee to, comply with the provisions of Section 12.7 of the Lease.

Section 404. Payment of Taxes, Charges, Insurance, etc. The Issuer shall, pursuant to the Lease, cause the Lessee to maintain certain insurance and pay all lawful taxes, assessments and charges at any time levied or assessed against or with respect to the Project, or any part thereof, which might impair or prejudice the lien and priority of this Indenture; provided, however, that nothing contained in this Section 404 shall require the maintenance of insurance or payment of any such taxes, assessments or charges if the same are not required to be maintained or paid under the provisions of Section 6.2 or 6.3 of the Lease.

Section 405. Maintenance and Repair. Pursuant to the provisions of Section 6.1 of the Lease, the Issuer shall cause the Lessee at its own expense to cause the Project to be maintained in good repair and in good operating condition, and the Lessee may, at its own expense, make from time to time additions, modifications or improvements to the Project under the terms and conditions set forth in Section 6.1 of the Lease.

Section 406. Recordation of Lease, Indenture and Security Instruments. The Trustee shall cause this Indenture, the Lease and all supplements hereto and thereto as well as such other security instruments, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept recorded and filed in such manner and in such places as may be required by law in order to fully preserve and protect the security of the holders and owners of the Bonds and the bearers of the coupons, if any, appertaining thereto and the rights of the Trustee hereunder, and to perfect the lien of, and the security interest created by, the Indenture. Continuation of financing statements may be filed without consent of the debtor parties thereto.

Section 407. Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the revenues derived from the Project shall at all times be open to inspection by such accountants or other agents as the Trustee or the holder of any Bonds may from time to time designate.

Section 408. List of Bondholders. To the extent that such information shall be made known to the Issuer under the terms of this Section 408, it will keep on file at the principal office of the Trustee a list of names and addresses of the last known holders of all Bonds payable to bearer and believed to be held by each of such last known holders. To said list the Trustee shall add the names and addresses of the holders of all Bonds which may from time to time be registered as to principal on the registration books in the hands of the Trustee as Bond Registrar. Whenever any Bond registered as to principal shall become registered payable to bearer, the Trustee may, but need not, remove the name of the previous registered owner from said list. Any Bondholder may request that his name and address be placed on said list by filing a written request with the Issuer or with the Trustee, which request shall include a statement of the principal amount of Bonds held by such holder and the numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list.

At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Lessee or by holders and/or owners (or a designated representative thereof) of 25% or more in principal amount of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 409. Rights Under Lease. The Lease, duly executed counterparts of which have been filed with the Trustee, sets forth the covenants and obligations of the Issuer and Lessee, including provisions that subsequent to the initial issuance of Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Lease may not be effectively amended, changed, modified, altered or terminated (other than as provided therein) without the concurring written consent of the Trustee, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Lessee under the Lease, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Lessee under and pursuant to the Lease, for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 410. Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder for the payment of such of the Bonds and coupons, if any, appertaining thereto as shall be presented when due at the principal office of the Trustee, or its successor in trust hereunder, or at the principal office of said alternate paying agents.

Section 411. Appointment of Lessee to Contest Determination of Taxability. On behalf of the holders of the Bonds, the Trustee appoints the Lessee as attorney-in-fact for the holders of the Bonds to contest the occurrence of a Determination of Taxability as defined in Section 11.6 of the Lease. Each holder of the Bonds, by purchase thereof, consents to such appointment.

(End of Article IV)

ARTICLE V

Revenue and Funds

Section 501. Source of Payment of Bonds. The Bonds herein authorized and all payments by the Issuer hereunder are not general obligations of the Issuer but are limited obligations payable solely from revenues and any other amounts derived from the lease or sale of the Project and as authorized by the Act and provided herein. The Bonds are secured as provided herein.

Section 502. Creation of the Bond Fund. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated "City of Fort Wayne Economic Development Bond Fund - P.F.D. Project" (which is sometimes referred to herein as the "Bond Fund"), which shall be used to pay the principal of, premium, if any, and the interest on the Bonds.

Section 503. Payments Into the Bond Fund. There shall be deposited into the Bond Fund the amounts required by Section 601 hereof. In addition, there shall be deposited into the Bond Fund, as and when received, (a) any amounts remaining in the Project Fund to the extent provided in Section 4.3(i) of the Lease except for such amounts as shall, at the direction of the Lessee, be used by the Trustee for the purchase of Bonds in the open market for the purpose of cancellation, at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase; (b) all rent payments specified in Section 5.3 of the Lease; (c) any balance of the Net Proceeds as specified in Sections 7.1 and 7.2 of the Lease; (d) any amount paid to the Trustee pursuant to Sections 8.5 or 11.3 of the Lease under which unimproved land may be removed from the Lease or purchased by the Lessee; (e) all prepayments of rent specified in Section 9.5 of the Lease; and (f) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease when accompanied by directions that such moneys are to be paid into the Bond Fund.

The Issuer hereby covenants that so long as any of the Bonds issued hereunder are outstanding, it will deposit, or cause to be deposited, in the Bond Fund for its account sufficient sums from lease rentals, revenues and other amounts derived from the Project (whether or not under and pursuant to the Lease) promptly to meet and pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, and to this end the Issuer covenants and agrees that, so long as any Bonds issued hereunder are outstanding, it will cause the Project to be continuously and efficiently leased as

a revenue and income producing undertaking, and that, should there be a default under the Lease with the result that the right of possession of the Project under the Lease is returned to the Issuer, the Issuer shall fully cooperate with the Trustee and with the Bondholders to the end of fully protecting the rights and security of the Bondholders and the bearers of the coupons, if any, appertaining to the Bonds and shall diligently proceed in good faith and use its best efforts to secure another tenant for the premises to the end that at all times sufficient lease rentals, revenues and receipts will be derived from the Project promptly to meet and pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable as well as covering the cost of maintaining and insuring the Project.

Nothing herein shall be construed as requiring the Issuer to operate the Project or to use any funds or revenues from any source other than funds and revenues derived from the Project.

Section 504. Payment of Interest. The rent payments specified in Section 5.3 of the Lease are to commence at least three (3) business days prior to July 1, 1980. The first rent payment shall be sufficient when added to the amount then on deposit in the Bond Fund and available for such payment to pay all interest becoming due on July 1, 1980.

Section 505. Use of Moneys in the Bond Fund. Except as provided in Section 511 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds and for the redemption of the Bonds prior to maturity.

Whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Bonds outstanding hereunder and to pay interest to accrue thereon prior to such redemption, the Issuer covenants and agrees to take and cause to be taken the necessary steps to redeem all of the Bonds on the next succeeding redemption date for which the required redemption notice may be given; and provided further, that any moneys in the Bond Fund may be used to redeem a part of the Bonds outstanding so long as the Lessee is not in default with respect to any rental payments under the Lease and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds or coupons, if any, have not been presented for payment.

Anything contained above in this Section 505 to the contrary notwithstanding, moneys paid into the Bond Fund pursuant

to Section 11.6(c) of the Lease shall, subject to Section 507, be used solely for payment as follows:

In the event any person who was a holder of a Bond both at the time of an Event of Taxability (as such term is defined in Section 11.6 of the Lease) and the date such Bond matured or was redeemed shall be entitled to, and the Trustee shall pay to him from such moneys an amount equal to one (1) year's interest borne by such Bond for each twelve month period or part thereof elapsed between the date of the Event of Taxability and the date such Bond matured or was redeemed. Provided, however, the holder of a coupon Bond unless registered as to principal other than to bearer may be required to present to the Trustee written proof satisfactory to the Trustee that he was a holder of such coupon Bond at such times before payment must be made under this paragraph.

Section 506. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee and to any alternate paying agent, for the purpose of paying said principal, premium and interest, which authorization and direction the Trustee hereby accepts. Funds received by any alternate paying agent shall be held in trust for the benefit of the Bondholders.

Section 507. Non-Presentment of Bonds, Coupons or Claims. In the event (i) any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, or (ii) the coupons, if any, shall not be presented for payment at the due date thereof, or (iii) there shall be set aside the moneys subject to claims (the "claims") by certain holders of the Bonds (the "claimants") required to be set aside under Section 11.6(b) of the Lease and Section 505 hereof, then if funds sufficient to pay such Bonds or coupons, if any, or claims shall have been made available to the Trustee, all liability of the Issuer for the payment of such Bond or coupon, if any, or claim, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of such Bond, or the bearer of such coupon, if any, or the claimant, as the case may be, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond or coupon, if any.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds and coupons, if any, within five (5) years after the date on which the same shall have become due, shall be repaid by the Trustee to the Lessee and thereafter Bondholders shall be entitled to look only to the Lessee for payment, and then only to the extent of the amount so repaid, and the Lessee shall not be liable for any interest thereon and shall not be regarded as a trustee of such money; provided, however, that the Trustee, if any coupon Bonds not registered as to principal are at the time outstanding, before being required to make any such repayment may, at the expense of the Lessee, give notice by publication at least once in each of two (2) successive calendar weeks, on any day of each such weeks, in a newspaper of general circulation in and around the City of New York, New York, printed in the English language, stating that such moneys have not been so applied and that after a date specified therein any unclaimed balance of said moneys then remaining will be repaid to the Lessee.

Section 508. Trustee's and Paying Agents' Fees, Charges and Expenses. Pursuant to the provisions of the Lease, the Lessee has agreed to pay to the Trustee, until the principal of, premium if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of this Indenture (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee, as Trustee, rendered and its Ordinary Expenses incurred under this Indenture, as and when the same becomes due, (ii) the reasonable fees, charges and expenses of the Trustee, as Bond Registrar and paying agent, and any paying agents for acting as paying agent as herein provided, as and when the same become due, and (iii) the reasonable fees, charges and expenses of the Trustee for the necessary Extraordinary Services and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due.

Section 509. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account of the Bond Fund or the Project Fund under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

Section 510. Condemnation and Insurance Proceeds. The Net Proceeds of condemnation awards paid to the Trustee pursuant to provisions of the Lease shall be deposited in a trust account subject to the lien hereof and shall constitute part of the

Trust Estate and shall be paid out as herein provided. The Trustee shall pay any such net proceeds to or upon the order of the Lessee upon receipt of a written request from the Lessee specifying the amount to be disbursed and certifying that such amounts will be applied in the ways specified either in clause (a) or clause (b) of Section 7.2 of the Lease. In addition, the Trustee shall upon the written request of the Lessee, apply the funds so held to the redemption of Bonds, together with accrued interest thereon to the date of redemption; provided, that if less than all of the Bonds are to be redeemed, the Trustee has also received the certificate of an Independent Engineer as required by clause (c) of Section 7.2. Any balance of the Net Proceeds held by the Trustee shall be paid into the Bond Fund for application in accordance with Section 505 hereof, or if the Bonds have been fully paid, shall be paid to the Lessee.

All Net Proceeds of insurance payable to the Trustee in accordance with the Lease shall be held by the Trustee in a separate trust account. The Trustee shall pay moneys held in such account to or on the order of the Lessee upon receipt by the Trustee of a written request of the Authorized Lessee Representative stating that moneys in the amount specified in such request are required for the payment of the costs of repair, rebuilding or restoration of the property damaged or destroyed to substantially the same condition as existed prior to the event causing such damage or destruction with such changes, alterations, modifications (including the substitution or addition of other property) as may be desired by the Lessee and as will not impair operating unity or the capacity or the character of the Project as an economic development facility.

Section 511. Repayment to the Lessee From the Bond Fund. Subject to the provisions of Section 507 hereof, any amounts remaining in the Bond Fund after payment in full of the principal of, premium, if any, and interest on the Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges and expenses of the Trustee and the alternate paying agent shall be paid to the Lessee upon the expiration or sooner termination of the term of the Lease as provided in Section 12.4 of the Lease.

(End of Article V)

ARTICLE VI

Custody and Application of Proceeds of Bonds

Section 601. Deposits in the Bond Fund. From the proceeds of the sale of the Bonds, there shall be deposited in the Bond Fund a sum equal to the accrued interest on such Bonds.

Section 602. Project Fund; Disbursements. There is hereby created and established with the Trustee a trust fund in the name of the Issuer to be designated "City of Fort Wayne nomic Development Project Fund - P.F.D. Project" (which is sometimes herein referred to as the "Project Fund"). The balance of the proceeds of each issuance and delivery of Bonds remaining after the deduction provided by Section 601 hereof has been made shall be deposited in the Project Fund.

Upon the written request of the Authorized Lessee Representative, the Trustee shall pay moneys in the Project Fund to or on the order of the Lessee in the amounts specified in such request. Each such request shall specify for which of the purposes specified in clauses (a) through (i) of Section 4.3 of the Lease such moneys are being applied.

In the case of payments for items described in subsections (b), (d), (e) and (h), the written request shall also contain a certification: (i) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Project Fund, and (ii) that each item for which the payment is proposed to be made is or was necessary in connection with the Project. In the case of any contract providing for the retention by the Issuer of a portion of the contract price, there shall be paid from the Project Fund only the net amount remaining after deduction of any such portion.

The Issuer covenants and agrees to take all necessary and appropriate action promptly in approving and ordering all such disbursements. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the aforesaid provisions of the Lease.

The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs filed as provided in Section 603, the Trustee shall file an accounting thereof with the Issuer and with the Lessee.

Section 603. Completion of the Project. The completion of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of (i) the certificate of the Authorized Lessee Representative (as defined in the Lease) required by the provisions of Section 4.5 of the Lease, and (ii) a certificate signed by an official of the Issuer and by the Lessee (by one of the authorized officers of the Lessee), which certificate shall state that all obligations and costs in connection with the Project and payable out of the Project Fund have been paid and discharged except for amounts retained by the Trustee with the approval of the Lessee and the Issuer for the payment of costs of the Project not then due and payable as provided in the Lease.

As soon as practicable, and in any event within sixty (60) days from the date of the certificate referred to in subsection (ii) of the preceding sentence, any balance remaining in the Project Fund (other than the amounts retained by the Trustee referred to in the preceding sentence) shall without further authorization be deposited in the Bond Fund by the Trustee with advice to the Issuer and to the Lessee of such action unless the Lessee shall have directed the Trustee to purchase Bonds in the open market for the purpose of cancellation in accordance with Section 4.3(i) of the Lease.

As provided in the last sentence of Section 403, the Issuer agrees that it will, and will cause the Lessee to, comply with the provisions of Section 12.7 of the Lease.

(End of Article VI)

ARTICLE VII

Investments

Section 701. Investment of Project Fund Moneys. Any moneys held as part of the Project Fund shall, at the written request of the Authorized Lessee Representative, be invested or reinvested by the Trustee in accordance with the provisions of Section 4.9 of the Lease. The said written request shall specify the Issuer or obligor, the principal amount, maturity date and interest rate of such investment and the subdivision of Section 4.9 of the Lease which permits such investment.

Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Project Fund, and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investments shall be charged to such fund. The Trustee shall furnish to the Lessee, at least thirty (30) days before each interest payment date during the period of construction, an accounting of the moneys in the Project Fund, and the profit or loss, if any, on the investment of the moneys from such funds. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in the Project Fund is insufficient to pay a requisition when presented.

Section 702. Investment of Bond Fund Moneys. Any moneys held as part of the Bond Fund shall, at the written request of the Authorized Lessee Representative as defined in the Lease, be invested or reinvested by the Trustee in accordance with the provisions of Section 4.9 of the Lease. The said written request shall specify the issuer or obligor, the principal amount, maturity date and interest rate of such investment and the subdivision of Section 4.9 of the Lease which permits such investment.

Any such investments shall be held by or under control of the Trustee and shall be deemed at all times a part of the Bond Fund, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund, and any loss resulting from such investments shall be charged to such fund.

The Trustee shall furnish to the Lessee, at least thirty (30) days before each interest payment date, an accounting of the moneys in the Bond Fund, and the profit or loss, if any, on the investment of the moneys from such funds.

The Trustee shall sell and reduce to cash funds a sufficient portion of investments under the provisions of this Section 702 whenever the cash balance in the Bond Fund is

insufficient to pay the principal of, premium, if any, and interest on the Bonds as and when payable.

Section 703. Investment of Sections 7.1 or 7.2 Moneys. Any moneys held in a separate trust account under the provisions of Sections 7.1 and 7.2 of the Lease shall, at the written request of the Authorized Lessee Representative, be invested or reinvested by the Trustee in accordance with the provisions of Sections 7.1 or 7.2, respectively, of the Lease. The said written request shall specify the issuer or obligor, the principal amount, maturity date and interest rate of such investment and the subdivision of Section 4.9 of the Lease which permits such investment. Any such investments shall be held by or under control of the Trustee and shall be deemed at all times a part of the separate trust account in which they are held, and the interest accruing thereon and any profit realized therefrom shall be credited to such account, and any loss resulting from such investments shall be charged to such account.

The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in such separate trust account is insufficient for the purposes required by the pertinent Section of the Lease (Section 7.1 or 7.2) under the provisions of which such separate trust account is created.

Section 704. Investments Through Trustee's Bond Department. The Trustee may make any and all investments permitted by the provisions of Sections 701, 702 and 703 through its own bond department.

Section 705. Arbitrage. The Trustee covenants that it shall not use or invest the proceeds of the Bonds in any manner which will cause the Bonds to become arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

The Issuer covenants that so long as any Bonds remain outstanding the Issuer will not take or authorize the taking of any action which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of said Section 103(c) and any lawful regulations promulgated or proposed thereunder, including Sections 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations (26 CFR Part 1) as the same presently exist, or may from time to time hereafter be amended, supplemented or revised.

(End of Article VII)

ARTICLE VIII

Possession, Use and Partial Release of Mortgaged Property

Section 801. Subordination to Rights of the Lessee. This Indenture and the rights and privileges hereunder of the Trustee and the holders of the Bonds are specifically made subject and subordinate to the rights and privileges of the Lessee set forth in the Lease. So long as not otherwise provided in this Indenture, the Issuer shall be suffered and permitted to possess, use and enjoy the Mortgaged Property and appurtenances so as to carry out its obligations under the Lease.

Section 802. Release of Land or Portion of Buildings. Reference is made to the provisions of the Lease, including without limitation, Sections 8.5, 11.3 and 11.7 thereof, whereby the Issuer and the Lessee have reserved the right to withdraw certain portions of the land herein described and forming a part of the Land and to modify and withdraw certain portions of the Buildings upon compliance with the terms and conditions of the Lease. The Trustee shall release from the lien of this Indenture any such land or portion of the Buildings upon compliance with the provisions of the Lease, but only upon receiving the written consent of the holders of sixty-five and two-thirds percent of the outstanding principal amount of the Bonds.

Section 803. Granting or Release of Easements. Reference is made to the provisions of the Lease whereby the Lessee may grant or release easements and take other action upon compliance with the terms and conditions of the Lease. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights-of-way and other rights and privileges upon compliance with the provisions of the Lease.

Section 804. Release of Leased Equipment. Reference is made to the provisions of the Lease, including without limitation Section 6.8 thereof, whereby the Lessee may withdraw certain items of Leased Equipment upon compliance with the terms and conditions of the Lease. The Trustee shall at the request of the Issuer or the Lessee confirm that any such Leased Equipment is no longer subject to the lien of this Indenture upon compliance with the terms and conditions of the Lease.

(End of Article VIII)

ARTICLE IX

Discharge of Lien

Section 901. If (1) the Issuer shall pay or cause to be paid to the holders and owners of the Bonds and the bearers of the coupons, if any, appertaining thereto the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, or shall cause a sum sufficient to pay such principal, premium, if any, and interest amounts, to be irrevocably deposited in trust with the Trustee to the credit of the Bond Fund, or shall cause to be deposited in trust with the Trustee to the credit of the Bond Fund Qualified Investment Obligations maturing on or before the date or dates when the payment of the principal of, premium, if any, and interest on the Bonds shall be due, the principal amount of which and the interest thereon, when due, is or will be in the aggregate sufficient, without reinvestment, to make all such payments on the Bonds, (2) all fees and expenses of the Trustee and alternate paying agent shall have been paid, and (3) the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer the estate hereby conveyed, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Lessee under Section 511 hereof and except Qualified Investment Obligations or cash held in trust by the Trustee for the payment of interest on and retirement of the Bonds as provided in Section 507 hereof.

Qualified Investment Obligations, as used in this Section, means investment obligations issued or guaranteed as to timely payment of principal and interest by the United States of America.

Bonds and coupons, if any, for the payment or redemption of which moneys shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid within the meaning of this Article; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

(End of Article IX)

ARTICLE X

Default Provisions and Remedies of Trustee and Bondholders

Section 1001. Defaults; Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "event of default":

(a) Default in the due and punctual payment of any interest on any Bond;

(b) Default in the due and punctual payment of the principal of and premium, if any, on the Bonds, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Default on the part of the Lessee under subsection (a) of Section 10.1 of the Lease;

(d) Subject to the provisions of Section 1013 hereof, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds contained or default on the part of the Lessee under the Lease (other than under subsection (a) of Section 10.1 thereof), and the continuance thereof for a period of thirty (30) days after written notice to the Issuer given by the Trustee or to the Trustee and the Issuer by the holders of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then outstanding.

The term "default" shall mean default by the Issuer in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture or in the Bonds or default on the part of the Lessee under the Lease, exclusive of any period of grace required to constitute a default or "event of default" as hereinabove provided.

Section 1002. Acceleration. Upon the occurrence of an event of default, the Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) in aggregate principal amount of Bonds then outstanding shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then oustanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and

payable but only after the continuance of such event of default for thirty (30) days after written notice, specifying the event of default, given to the Issuer and Lessee.

Upon any declaration of acceleration hereunder, the Issuer and the Trustee shall immediately declare all installments of rent payable under Section 5.3 of the Lease to be immediately due and payable in accordance with Section 10.2 of the Lease.

Section 1003. Surrender of Possession of Mortgaged Property; Rights and Duties of Trustee in Possession. Upon the occurrence of an event of default, after ten (10) days' written notice to the Issuer and Lessee specifying the event of default, the Trustee shall be entitled to possession of the Mortgaged Project and to seek possession thereof in accordance with the terms and provisions of Indiana law, and upon proper compliance with Indiana law, the Issuer shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Mortgaged Property together with the books, papers and accounts of the Issuer pertaining thereto, and including the rights and the position of the Issuer under the Lease, and to hold, operate and manage the same, and from time to time to make all needful repairs and improvements as by the Trustee shall be deemed wise; and the Trustee may lease subject to the Lease the Mortgaged Property or any part thereof in the name and for account of the Issuer and collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver of any part thereof pay, and/or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of Section 1008 hereof.

Whenever all that is due upon the Bonds shall have been paid and all defaults made good, the Trustee shall surrender possession to the Issuer, its successors or assigns; the same right of entry, however, to exist upon any subsequent event of default.

While in possession of such property, the Trustee shall render annually to the Issuer, Lessee, and also to the Bondholders, at their addresses set forth in the list required by

Section 408 hereof and to the holders of all Bonds then registered as to principal (except to bearer) at their addresses shown by the registration books, a summarized statement of income and expenditures in connection therewith.

While any Bonds are outstanding, the Issuer shall not, subject to Section 1002, exercise any of the remedies on default specified in Subsections 10.2(a), 10.2(b), or 10.2(e) of the Lease without the prior written consent of the Trustee.

Upon the occurrence of an event of default, after ten (10) days' written notice to the Issuer and Lessee specifying the event of default, the lien on the Mortgaged Property created and vested by this Indenture may be foreclosed pursuant to judicial proceedings in accordance with Indiana law, and the Trustee or the holder or holders of any of the Bonds then outstanding, whether or not then in default of payment of principal or interest, may become the purchaser in such judicial proceedings if the Trustee or such holder or holders is the highest bidder.

Section 1004. Other Remedies; Rights of Bondholders. Upon the occurrence of an event of default, the Trustee may, after ten (10) days' written notice to the Issuer and Lessee specifying the event of default, as an alternative, either after entry or without entry, pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding, including, without limitation, foreclosure and mandamus.

If an event of default shall have occurred, and if requested so to do by the holders of twenty-five per cent (25%) or more in aggregate principal amount of Bonds then outstanding and if indemnified as provided in Section 1101 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Section and by Section 1003 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such

default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 1005. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 1006. Appointment of Receivers. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Mortgaged Property and of the rents, revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 1007. Foreclosure of Indenture. Upon the occurrence of an event of default, to the extent that such rights may then lawfully be waived, neither the Issuer nor anyone claiming through or under the Issuer, shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture or the foreclosure of this Indenture, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all rights of appraisement and redemption to which it may be entitled under the laws of Indiana.

Section 1008. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the

collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund, and all moneys in the Bond Fund shall be applied as follows:

(a) In the case of redemption pursuant to Section 11.6 of the Lease or if the principal of all the Bonds shall not have become or shall not have been declared due and payable, all such moneys shall be applied:

First, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second, to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, and additional payment, if any, pursuant to Section 11.6 of the Lease, on or with respect to any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then subject to the provisions of subsection (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future.

Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the bearer of any unpaid coupon or the holder of any Bond until such coupon or such Bond and all unmatured coupons, if any, appertaining to such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section 1008 and all expenses and charges of the Trustee have been paid, any balance remaining in the Bond Fund shall be paid to the Lessee as provided in Section 511 hereof, subject to the provisions of Section 507 hereof.

Section 1009. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds or coupons may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds or bearers of coupons, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Bonds and the bearers of the outstanding coupons.

Section 1010. Rights and Remedies of Bondholders. No holder or bearer of any Bond or coupon shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1101, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an event of default and the holders of twenty-five per cent (25%) or more in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 1101, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or their own name or names, and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders or bearers of the Bonds or coupons, if any, shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any rights hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds then outstanding.

Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time, place, from the source and in the manner in said Bonds and the appurtenant coupons, if any, expressed.

Section 1011. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Lessee and the Trustee shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property, and

all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 1012. Waivers of Events of Default. The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the holders of (1) one-half or more in aggregate principal amount of all the Bonds then outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (2) one-half or more in aggregate principal amount of all Bonds then outstanding in the case of any other default; provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate of ten percent (10%) per annum on overdue installments of interest or all arrears of payments of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 1013. Notice of Defaults Under Section 1001(d); Opportunity of the Lessee to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 1001(d) shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the holders of not less than twenty-five per cent (25%) in aggregate principal amount of all Bonds outstanding to the Issuer and the Lessee, and the Lessee shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected, or if said default be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Lessee under the provisions of this Section 1013, the Issuer hereby grants the Lessee full authority for account of the Issuer to perform any covenant or obligation, the breach of which is alleged in said notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

(End of Article X)

ARTICLE XI

The Trustee

Section 1101. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer or the Lessee). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or for the recording or re-recording, filing or re-filing of this Indenture, or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or for any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof; except that in the event the Trustee enters into possession of a part or all of the property herein conveyed pursuant to any provision of this Indenture it shall use due diligence in preserving such property, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Lessee under the Lease, except as hereinafter set forth; but the Trustee may require of the Issuer or the Lessee full information

and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the property herein conveyed.

Except as otherwise provided in Section 1003 hereof the Trustee shall have no obligation to perform any of the duties of the Issuer as Lessor under the Lease, and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VII hereof.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds and coupons, if any, secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Mayor and attested by its Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Clerk of the Issuer under its seal to the effect that an ordinance in the form therein set forth has been adopted by said Common Council of the Issuer as conclusive evidence that such ordinance has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article V and failure of the Lessee to comply with Sections 6.2 and 6.3 of the Lease, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the holders of at least twenty-five per cent (25%) in aggregate principal amount of all Bonds then outstanding and all notices or other instruments required by this Identure to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Mortgaged Property as in this Indenture provided.

(i) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right fully to inspect any and all of the Mortgaged Property, including all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired subject to the provisions of Section 8.2 of the Lease.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right

of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under this Section 1101, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(m) All moneys received by the Trustee or any paying agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(n) If any event of default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

Section 1102. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its Ordinary Services rendered hereunder and all advances, counsel fees and other Ordinary Expenses reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services and, in the event that it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as paying agent and Bond Registrar for the Bonds and coupons, if any, as hereinabove provided.

Upon an event of default, but only upon an event of default, the Trustee shall have a first lien with right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond upon the Mortgaged Property for the foregoing advances, fees, costs and expenses incurred.

Section 1103. Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee has actual knowledge of or is by subsection (g) of Section 1101 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Trustee shall give written notice thereof by mail to the last known owners of all Bonds then outstanding shown by the registration book of the Issuer or the list of Bondholders required by the terms of Section 408 hereof to be kept at the office of the Trustee.

Section 1104. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of Bondholders and, subject to the provisions of Section 1101(l), shall do so if requested in writing by the owners of at least twenty-five per cent (25%) in aggregate principal amount of all Bonds then outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 1105. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided, however, that if the successor corporation is not a trust company or national or state bank within the State of Indiana, the Trustee shall resign from the trusts hereby created prior to such sale, merger, consolidation or transfer.

Section 1106. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Issuer and the Lessee and by registered or certified mail to each registered owner of Bonds then outstanding and to each holder of Bonds as shown by the list of Bondholders required by Section 408 hereof to be kept at the office of the Trustee, and such resignation shall take effect at the end of such thirty

(30) days, or upon the earlier appointment of a successor Trustee by the Bondholders or by the Issuer. Such notice to the Issuer and the Lessee may be served personally or sent by registered mail.

Section 1107. Removal of Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer, and signed by the owners of a majority in aggregate principal amount of Bonds then outstanding.

Section 1108. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds then outstanding, provided Lessee consents to such selection, by an instrument or concurrent instruments in writing signed by such owners and Lessee, or by their attorneys-in-fact, duly authorized; provided, nevertheless, that in case of such vacancy, the Issuer by an instrument executed and signed by its Mayor and attested by its Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondholder.

Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing with corporate trust powers, within the State of Indiana, having a reported capital and surplus of not less than $10,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 1109. Concerning any Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such

predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor.

Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 1110. Right of Trustee to Pay Taxes, Other Charges and Insurance Premiums. In case any tax, assessment or governmental or other charge upon, or insurance premium with respect to, any part of the property herein conveyed is not paid as required herein, the Trustee may pay such tax, assessment or governmental or other charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section with interest thereon from the date of payment at the highest rate per annum borne by the Bonds, shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any payment of principal of, premium, if any, and interest on the Bonds, and shall be paid out of the proceeds of revenues collected from the property herein conveyed, if not otherwise caused to be paid; but the Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the holders of at least twenty-five per cent (25%) in aggregate principal amount of Bonds then outstanding and shall have been provided with adequate funds for the purpose of such payment.

Section 1111. Trustee Protected in Relying Upon Resolution, etc. The ordinances, resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the disbursement of funds hereunder.

Section 1112. Successor Trustee as Trustee of Bond Fund and Project Fund, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of the Bond Fund and Project Fund and Bond Registrar and paying agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Bond Registrar and paying agent.

Section 1113. Mortgaged Estate May be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of Indiana) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, or the Lease, and in particular in case of the enforcement of either of the foregoing on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the Mortgaged Property, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 1113 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

(End of Article XI)

ARTICLE XII

Supplemental Indentures

Section 1201. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;

(c) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral; and

(d) To release property from the lien of this Indenture or to grant or release easements to the extent permitted by Sections 803 or 804 hereof.

The Issuer and the Trustee shall, without consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture (i) with respect to additional real estate which pursuant to the Lease is to become a part of the Land so as to subject the same to the lien hereof, and (ii) to the extent necessary with respect to the machinery and equipment forming a part of the Mortgaged Property and generally described in Exhibit B attached hereto and made a part hereof so as to more precisely identify the same, or to substitute or add additional machinery and equipment acquired with the proceeds of the Bonds in accordance with the provisions of Section 4.1(b) of the Lease.

Section 1202. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 1201 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Issuer and the Trustee may enter into supplemental indentures only with the consent and approval of the holders of not less than two-thirds in aggregate principal amount of the Bonds then outstanding, for such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for

the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, (a) any change of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of interest on, or reduction of any premium payable on the redemption of or payment pursuant to Section 11.6 of the Lease with respect to any Bond, without the consent of the holder of such Bond, (b) the creation of any lien (other than any Permitted Encumbrances) prior to or on a parity with the lien of this Indenture, without the consent of the holders of all the Bonds at the time outstanding, or (c) a reduction in the aggregate principal amount of Bonds the holders of which are required to consent to any such supplemental indenture or any amendment to the Lease as provided in Section 1302, without the consent of the holders of all the Bonds at the time outstanding which would be affected by the action to be taken, or (d) modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be published as shall be requested by the Issuer and in any event one time in a newspaper or financial journal of general circulation among dealers in municipal securities published in the City of New York, New York and mailed by certified or registered mail to the holder of any fully registered Bond; provided, however, that if all Bonds outstanding hereunder are fully registered, notice by publication need not be given if notice by mailing has been given to the holders of all fully registered Bonds as provided above. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders.

If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following the final publication or mailing of such notice, the holders of not less than two-thirds in aggregate principal amount of the Bonds outstanding at the time of execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond and no bearer of any coupon shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner

to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee shall receive an opinion of counsel (who may be counsel for the Issuer, the Lessee, or both) that any such supplemental indenture entered into by the Issuer and the Trustee complies with the provisions of this Article XII, and the Trustee may rely upon such opinion.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XII which affects any rights or obligations of the Lessee shall not become effective unless and until the Lessee shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture, together with a copy of the proposed supplemental indenture, to be mailed by certified or registered mail to the Lessee at least fifteen (15) days prior to the proposed date of execution and delivery of any such supplemental indenture. The Lessee shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Lessee on or before 4:30 p.m., EST, of the fifteenth day after the receipt of said notice and a copy of the proposed supplemental indenture.

(End of Article XII)

ARTICLE XIII

Amendment of Lease

Section 1301. Amendments, etc., to Lease Not Requiring Consent of Bondholders. The Issuer and the Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease as may be required (i) by the provisions of the Lease and this Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with additional real estate which pursuant to the Lease is to become part of the Land, (iv) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the holders of the Bonds, (v) in connection with the Leased Equipment described in Exhibit B to the Lease so as to more precisely identify the same or substitute or add additional Leased Equipment acquired with the proceeds of the Bonds in accordance with the provisions of Section 4.1(b) of the Lease.

Section 1302. Amendments, etc., to Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1301 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Lease without publication of notice and the written approval or consent of the holders of not less than two-thirds in aggregate principal amount of the Bonds at the time outstanding given and procured as in Section 1202 provided.

If at any time the Issuer and the Lessee shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Bondholders.

(End of Article XIII)

ARTICLE XIV

Miscellaneous

Section 1401. Consents, etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of the holding by any person of Bonds and/or coupons, if any, transferable by delivery and the amounts and numbers of such Bonds, and the date of the holding of the same, may be proved by a certificate executed by any trust company, bank or bankers, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such banker, as the property of such party, the Bonds and/or coupons therein mentioned if such certificate shall be deemed by the Trustee to be satisfactory, except that proof of the ownership of fully registered Bonds shall be by reference to the registration books held by the Trustee. The Trustee may, in its discretion, require evidence that such Bonds have been deposited with a bank, bankers or trust company, before taking any action based on such ownership. In lieu of the foregoing, the Trustee may accept other proofs of the foregoing as it shall deem appropriate.

For all purposes of this Indenture and of the proceedings for the enforcement hereof, such person shall be deemed to continue to be the holder of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 1402. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds, is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Bonds and the bearers of coupons, if any, appertaining thereof, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Bonds and the bearers of such coupons, if any, as herein provided.

Section 1403. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1404. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Trustee, if the same shall be duly mailed to the Trustee by registered or certified mail and addressed to it at its address hereinbefore mentioned, Attention: Corporate Trust Department, or if on the Issuer if the same shall be duly mailed to the Issuer by registered or certified mail addressed to it at City Building, Fort Wayne, Indiana 46802 or to such address as the Issuer may from time to time file with the Trustee and Lessee.

It shall be sufficient service of any notice or other paper on Lessee if the same shall be duly mailed to the Lessee by registered or certified mail and addressed to it at 401 Fernhill Avenue, Fort Wayne, Indiana, 46805, or to such address as the Lessee may from time to time file with the Trustee and Issuer.

Section 1405. Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as principal paying agent and Bond Registrar for and in respect to the Bonds.

Section 1406. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of Bonds or the date fixed for redemption of any Bonds shall be in the City of Fort Wayne, Indiana, a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date in such City but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1407. Suspension of Newspaper Publication. If, because of the temporary or permanent suspension of the publication of general circulation of any newspaper or financial journal or for any other reason, it is impossible or impractical to publish such notice of call for redemption in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of notice.

Section 1408. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original.

Section 1409. Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State of Indiana.

IN WITNESS WHEREOF, the City of Fort Wayne, Indiana, has caused these presents to be signed in its name and behalf by its Mayor, and its corporate seal to be hereunto affixed and attested by its Clerk, and to evidence its acceptance of the trusts hereby created. The Anthony Wayne Bank signed in its name and behalf by one of its duly authorized officers, its official seal to be hereunto affixed, and the same to be attested by its duly authorized officers, all as of the first day of January, 1980, but actually executed and delivered by the Trustee this _____day of _____, 1980.

CITY OF FORT WAYNE, INDIANA

(SEAL)

By_____
Winfield C. Moses, Jr.,
Mayor

Attest:

_____
Charles W. Westerman, Clerk

THE ANTHONY WAYNE BANK,
as Trustee

By_____

(SEAL)

Attest:

_____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, _____, a Notary Public in and for the State and County aforesaid, personally appeared Winfield C. Moses, Jr., and Charles W. Westerman, with both of whom I am personally acquainted, and who, upon their oaths, acknowledged themselves to be the Mayor and Clerk respectively, of the City of Fort Wayne, Indiana, one of the within named bargainers, and that they, as such Mayor and Clerk being authorized so to do, executed the foregoing instrument for the purposes contained therein by subscribing thereto the name of said City and attesting the official seal of said City by themselves as such Mayor and Clerk respectively.

WITNESS my hand and notarial seal of office at City of Fort Wayne, Indiana, this _____day of _____, 1980.

_____
Notary Public

(SEAL)

My commission expires: _____

My county of residence is: _____

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, _____, a Notary Public in and for the State and County aforesaid, personally appeared _____ _____ and _____, with both of whom I am personally acquainted, and who, upon their oaths, acknowledged themselves to be a _____ and _____ respectively, of The Anthony Wayne Bank, being authorized so to do, executed the foregoing instrument for the purposes contained therein by subscribing thereto the name of said corporation and affixing thereto and attesting the official seal of said corporation by themselves as such _____ and _____, respectively.

WITNESS my hand and notarial seal of office at _____, Indiana, this _____day of _____, 1980.

_____
Notary Public

(SEAL)

My commission expires:

_____

My county of residence is:

_____

EXHIBIT A

Real Estate Description

This instrument prepared by Lawrence E. Shine, Parker, Hoover, Keller & Waterman, Suite 200, Strauss Building, Fort Wayne, Indiana, 46802.

EXHIBIT B

Leased Equipment

This instrument prepared by Lawrence E. Shine, Parker, Hoover, Keller & Waterman, Suite 200, Strauss Building, Fort Wayne, Indiana, 46802.

CERTIFICATE OF RECORDER

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

I, _____, the duly elected, qualified and acting Recorder of Allen County, Indiana, hereby certify that on the _____ day of _____, 1980, there was filed in my office for recording an executed counterpart of the attached Mortgage and Indenture of Trust between the City of Fort Wayne, Indiana and The Anthony Wayne Bank, as Trustee, and that the fee for the recording of said instrument was paid in full on said date.

I further certify that said Mortgage and Indenture of Trust was recorded as Instrument No. _____, and now appears of record in Mortgage Record _____, pages _____, of which record I am the legal custodian.

Dated this _____ day of _____, 1980.

_____
Recorder of Allen County

(SEAL)

LEASE AGREEMENT

BY AND BETWEEN

CITY OF FORT WAYNE, INDIANA
LESSOR

AND

P.F.D., an Indiana general partnership
LESSEE

Dated as of August 1, 1980

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LEASE AGREEMENT

LEASE AGREEMENT dated as of August 1, 1980, and entered into by and between the CITY OF FORT WAYNE, a body corporate and politic organized under the constitution and laws of the State of Indiana, party of the first part (hereinafter sometimes called the "Lessor"), and P.F.D., an Indiana general partnership, party of the second part (hereinafter sometimes called the "Lessee").

WITNESSETH:

NOW, THEREFORE, in consideration of the respective representations and agreements herein contained, the parties hereto agree as follows (provided that any obligation of the Lessor created by or arising out of this Lease shall not be a general debt on its part but shall be payable solely out of the proceeds derived from this Lease, the sale of the Bonds referred to in Section 2.1(c) hereof, and any insurance and condemnation awards as herein provided).

ARTICLE I

Definitions

"Act" means the Indiana Code, 18-6-4.5.

"Authorized Lessee Representative" means the Authorized Lessee Representative or Representatives who, at the time, shall have been designated as such in or pursuant to the provisions of Section 4.7 hereof.

"Bond" or "Bonds" means one or more of the City of Fort Wayne Economic Development First Mortgage Revenue Bonds (P.F.D. Project) in aggregate principal amount of $780,000 and any Additional Bonds, if any are authorized hereunder and under the Indenture, issued and to be issued pursuant to the Indenture.

"Bond Fund" means the Bond Fund created by Section 502 of the Indenture.

"Building" means the Leased Building.

"Completion Date" means the date of acquisition or completion of the construction of the Building and the installation therein of any machinery or equipment which is to constitute a part of the Project, as that date shall be certified as provided in Section 4.5 hereof.

"Completion Period" means the period between the date on which Bonds are first delivered to purchasers thereof and the Completion Date.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all expenses incurred by the Trustee under the Indenture other than Ordinary Services and Ordinary Expenses.

"Indenture" means the Mortgage and Indenture of Trust between the Lessor and the Trustee of even date herewith, including any indenture supplemental thereto, pursuant to which (i) the Bonds are authorized to be issued, and (ii) the Lessor's interest in this Lease, and the rents and other revenues received by the Lessor from the Project, as well as the Project itself, are to be assigned, pledged and mortgaged as security for the payment of principal of, premium, if any, and interest on the Bonds.

"Independent Counsel" means an attorney or a firm of attorneys duly admitted to practice law before the highest court of any state, which attorneys or any member of such firm of attorneys are not officers or full-time employees of the Lessor or the Lessee.

"Independent Engineer" means an engineer or engineering firm qualified to practice the profession of engineering under the laws of Indiana and who or which is not a full-time employee of either the Lessor or the Lessee.

"Land" means the Leased Land.

"Lease" means this agreement and any amendments and supplements hereof.

"Lease Term" means the duration of the leasehold estate created in this Lease as specified in Section 5.1 hereof.

"Leased Building" means all buildings, structures and facilities not constituting part of any machinery or equipment of the Project, which are required by Section 4.1(a) hereof to be acquired on the Leased Land, as they may at any time exist.

"Leased Equipment" means those items of machinery, equipment and related property required or permitted herein to be acquired and installed in the Building, or elsewhere on the Land, with proceeds from the sale of the Bonds, or the proceeds of any payment by the Lessee pursuant to Section 4.6 hereof (which property is described generally in Exhibit B attached hereto and made a part hereof, and will be described in the instruments referred to in Section 12.7 hereof), and any item of machinery and equipment and related property acquired and installed in the Building, or elsewhere on the Land, in substitution therefor or in addition thereto, pursuant to the provisions of Sections 4.1(b), 6.8, 7.1 and 7.2 hereof, less such machinery, equipment and related property as may be released from this Lease, pursuant to Section 6.8 of this Lease, or taken by the exercise of the power of eminent domain as provided in Section 7.2 of this Lease, all as they may at any time exist, but not including Lessee's own machinery and equipment installed under the provisions of Sections 6.1 and 9.7 hereof.

All of Lessee's own machinery and equipment installed under Sections 6.1 and 9.7 hereof shall be and remain identified as such by tags or other symbols affixed thereto. All property not so identified shall be presumed to be Leased Equipment.

"Leased Land" means the real estate, interests in real estate and other rights described under the heading "Leased Land" in Exhibit A attached hereto and made a part hereof, and any lease supplementing this Lease, together with all additions thereto and substitutions therefor less such real estate, interests in real estate and other rights as may be released from this Lease pursuant to Sections 8.5 and 11.3 hereof, or taken by the exercise of the power of eminent domain, as provided in Section 7.2 of this Lease.

"Lessee" means (i) P.F.D., an Indiana general partnership, and its successors and assigns, and (ii) any surviving, resulting or transferee entity as provided in Section 8.3.

"Lessor" means the City of Fort Wayne, and its successors and assigns. The Lessor is referred to in the Indenture as the "Issuer."

"Mortgaged Project" means the Leased Land, the Leased Building, and the Leased Equipment.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any extraordinary expenses of the Trustee), incurred in the collection of such gross proceeds.

"Ordinance" means the Ordinance adopted by the Lessor which authorizes the issuance of the Bonds, and the execution and delivery of the Indenture and this Lease.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those expenses normally incurred by a trustee under instruments similar to this Indenture.

"Permitted Encumbrances" means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) this Lease, those encumbrances permitted to exist under Section 6.2 of this Lease, and the Indenture, (iii) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that will not materially interfere with or impair the operations being conducted in the Building (or, if no operations are being conducted therein, the operations for which the Building were designed or last modified by the Lessee) or elsewhere on the Land, and (iv) such

minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Project and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Lessor, (v) mechanics' and materialmen's liens which are not filed or perfected in the manner prescribed by law, as in effect on the date hereof or otherwise, (vi) mechanics' and materialmen's liens filed or perfected in the manner prescribed by law which liens are presently the subject of good faith challenge by the Lessee, except as provided in Section 6.1 hereof, and (vii) the Land Lease.

"Project" means the Land, Buildings and Leased Equipment as they may at any time exist.

"Project Fund" means the Project Fund created by Section 602 of the Indenture.

"Trustee" means the trustss and/or the co-trustee at the time serving as such under the Indenture.

(End of Article I)

ARTICLE II

Representations

Section 2.1. Representations by the Lessor. The Lessor makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessor is duly organized as a municipal corporation pursuant to the laws of the State of Indiana and has the power to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The Project constitutes and will constitute "economic development facilities" within the meaning of the Act. By proper corporate action, the Lessor has been duly authorized to execute and deliver this Lease.

(b) The Lessor has acquired good and marketable title to the Leased Land, subject to Permitted Encumbrances, and proposes to cause to be acquired and installed the Leased Equipment in the Building or on the Land and proposes to lease the Project to the Lessee, and to sell the Mortgaged Project to the Lessee, upon Lessee's exercise of its option to purchase the Mortgaged Project or at the expiration or sooner termination of the Lease Term, all for the purpose of promoting economic development by inducing the Lessee to locate and operate the Project in or near the City of Fort Wayne, Indiana.

The Lessor agrees to use its best efforts to procure from the appropriate state, county, municipal and other authorities and corporations connection and discharge arrangements for the supply of water, gas, electricity and other utilities and sewage and industrial waste disposal for the operation of the Project.

(c) To finance the cost of the Project, the Lessor will issue the Bonds in the aggregate principal amount of $780,000.

(d) The Bonds are to be issued under and secured by the Indenture, pursuant to which the Lessor's interest in this Lease and the revenues and receipts derived by the Lessor from the leasing or sale of the Project will be pledged; and the Mortgaged Project will be mortgaged to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds.

Section 2.2. Representations by the Lessee. The Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Lessee is a general partnership duly organized under the laws of the State of Indiana, is in good standing, has power to enter into this Lease, and by proper partnership action has been duly authorized to execute and deliver this Lease.

(b) Neither the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Lease, conflict with or result in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Lessee is now a party or by which it is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee under the terms of any instrument or agreement.

(c) The leasing by the Lessor of the Project to the Lessee will encourage the Lessee to construct for lease a paper distribution center facility in or near the City of Fort Wayne, Indiana.

(d) The Lessee intends to operate or to cause the Project to be operated to the expiration or sooner termination of the Lease Term as provided herein.

(e) The Lessee has not acquired land or personal property or commenced construction in connection with any component of the Project prior to the passage of the inducement resolution by the Common Council of the City of Fort Wayne on May 27, 1980.

(End of Article II)

ARTICLE III

Demising Clauses and Title Insurance

Section 3.1. Demise of the Project. The Lessor demises and leases to the Lessee, and the Lessee leases from the Lessor, the Project at the rental set forth in Section 5.3 hereof and in accordance with the provisions of this Lease, subject to Permitted Encumbrances.

Section 3.2. Title Insurance. The Lessor will cause the Lessee to obtain for it title insurance in the form of an ALTA owner-mortgagee title policy in the face amount of $780,000. Any Net Proceeds payable to the Lessor under such policy shall, at Lessee's option, be either (a) used to acquire and construct replacement or substitute property for that to which title has been lost and such property shall be subjected to the lien of the Indenture, or (b) used to redeem Bonds on or after the first allowable ordinary redemption date as set forth in Section 301 of the Indenture.

(End of Article III)

ARTICLE IV

Commencement and Completion of the Project; Issuance of the Bonds

Section 4.1. Agreement to Acquire or Construct the Project. Subject to the provisions of Section 4.6 hereof, the Lessor agrees that:

(a) It will cause the Leased Land to be acquired and titled in its name and either will cause the Building to be acquired and titled in its name or the Building to be constructed thereon, wholly within the boundary lines of the Land, the Building to consist of building comprising paper distribution center facilities; and will construct, acquire and install other facilities and real and personal property and easements, rights and permits necessary for the operation of the Project, all in accordance with plans and specifications, including any and all supplements, amendments and additions thereto, now or hereafter filed by the Lessee in the office of the Lessor, and in accordance with any change orders approved and furnished by the Lessee to the Lessor from time to time prior to the Completion Date.

(b) It will cause to be acquired and installed in the Building or on the Land, for use of the Lessee, the Leased Equipment, to consist of the machinery, equipment and related property described in the general list thereof in Exhibit B attached hereto and made a part hereof, as such list may be modified from time to time with the Lessor's consent, and such other items of machinery, equipment and related property which in Lessee's judgment may be necessary or desirable for operation of the Project, and as shall from time to time prior to the Completion Date be specified in written orders from the Lessee to the Lessor, all of which acquisitions and installations shall be made in accordance with the Lessee's specifications and directions.

The Lessor and Lessee agree that the Lessee may undertake to acquire, construct and equip the Project, but if by special agreement the Lessor retains such responsibility, the Lessor agrees that only such changes will be made in the said plans and specifications as may be approved in writing by the Lessee. The Lessor agrees that it will enter into, or accept the assignment of, such contracts as the Lessee may request in order to effectuate the purposes of this Section but that it

will not execute any other contract or give any order for the acquisition, construction and installation of the Project, unless and until the Lessee shall have approved the same in writing. Also, the Lessor shall not execute any contract for the improvement or modification of the Project or any part thereof without the prior written approval of the Lessee.

The Lessor agrees to use its best efforts and to cooperate with the Lessee to cause the acquisition and construction of the Project to be completed with all reasonable dispatch and in accordance with the schedule established by the Lessee. Nothing contained in this Section shall relieve the Lessee from making the rental payments required to be made pursuant to Section 5.3 hereof.

Section 4.2. Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds for payment or reimbursement of the costs of acquisition, construction and installation provided for in Section 4.1 hereof, the Lessor agrees that it will sell, and cause to be delivered to the purchasers thereof, $780,000 aggregate principal amount of the Bonds.

Upon receipt of the proceeds of said sale, the Lessor will (a) deposit in the Bond Fund a sum equal to the accrued interest payable on the Bonds from their date to the date of closing, and (b) deposit in the Project Fund the balance of the proceeds received from said sale.

Section 4.3. Disbursements from the Project Fund. The Lessor has, in the Indenture, authorized and directed the Trustee to use the moneys in the Project Fund for the following purposes (but, subject to the provisions of Section 4.9 hereof, for no other purpose):

(a) Payment of the initial or acceptance fee of the Trustee; the cost of the title policy; the fees and expenses for recording or filing this Lease, the Indenture and any other documents or instruments by which the Project or any portion thereof is conveyed and mortgaged and the Lease is assigned as security for the Bonds; the fees and expenses for recording or filing any financing statements, and title curative documents and any other documents or instruments that either the Lessee or counsel (who may be counsel for the Lessor) may deem desirable to file for record in order to perfect or protect the title of the Lessor to, and the lien of the Indenture on, the Project or any part thereof, and the fees and expenses in connection with any actions or proceedings that either the Lessee or counsel may deem desirable to bring in order to perfect and

protect the title of the Lessor to, and the lien of the Indenture on, the Mortgaged Project or any part thereof.

(b) Payment to the Lessee and the Lessor, as the case may be, of such amounts, if any, as shall be necessary to reimburse the Lessee and the Lessor in full for all advances and payments made or costs incurred by them or either of them prior to or after the execution of this Lease for the costs of the preparation of plans and specifications of the Project (including any preliminary study or planning of the Project or any aspect thereof); the costs of acquisition and construction by the Lessor or Lessee of the Project including the acquisition and/or construction and remodeling cost of the Building and the cost of acquisition and installation of the Leased Equipment; and the construction, acquisition and installation necessary to provide utility services or other facilities, including trackage to connect the Project with public transportation facilities, if necessary, sewage and waste disposal facilities; and all real or personal properties deemed necessary in connection with the Project, or any one or more of said expenditures (including architectural, engineering and supervisory services with respect to any of the foregoing); provided, however, that no reimbursement shall be made to Lessee for actual acquisition or construction costs, if any, incurred by it prior to the passage of the inducement resolution of the Common Council of the Lessor relating to the Project; and provided further, however, that no reimbursement shall be allowed for the acquisition of the Land.

(c) Payment of the legal fees and expenses; underwriters fees and expenses; mimeographing, printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds; the preparation of this Lease, the Indenture and all other documents in connection with the acquisition of title to the Project.

(d) Payment for labor, services, materials and supplies used or furnished in site improvement, if any, and in making improvements on the Building, if any, all as provided in the plans and specifications therefor; payment for the cost of the acquisition of any machinery and equipment constituting a part of the Project (Leased Equipment) and the installation thereof; payment for the cost of the construction, acquisition and installation of utility services, sewage and waste disposal facilities or other facilities including trackage to connect the Project with

public transportation facilities; and all real and personal property deemed necessary in connection with the Project; and payment for the miscellaneous expenses incidental to any thereof, including the premium on any surety bond required to be deposited with the Trustee under any of the provisions of the Indenture.

(e) Payment of the fees, if any, for architectural, engineering and supervisory services with respect to the Project.

(f) Payment to the Trustee, as such payments become due, of the fees and expenses of the Trustee and of any paying agent properly incurred under the Indenture that may become due during the Completion Period, or reimbursement thereof if paid by the Lessee.

(g) To such extent as they shall not be paid by a contractor for construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the Completion Period under this Lease, or reimbursement thereof if paid by the Lessee.

(h) Payment of any other costs and expenses relating to the Project which would constitute a cost or expense for which the Lessor may issue bonds under the provisions of the Act.

(i) All moneys (including moneys earned pursuant to the provisions of Section 4.9 hereof) remaining in the Project Fund after acquisition or construction of the Project and payment in full of the costs thereof (other than amounts retained by the Trustee in the Project Fund for payment of Project costs not then due and payable), and after payment of all other items provided for in the preceding subsections (a) to (h), inclusive, of this Section, then due and payable, and after delivery to the Trustee of the certificate of completion required under Section 4.5 hereof, shall be transferred by the Trustee to a special escrow account within the Bond Fund, provided that at least 90% of the amount actually expended has been expended on land or property of a character subject to the allowance for depreciation under Section 167 of the Internal Revenue Code of 1954, as amended. Trustee shall use any amount transferred to the Bond Fund from the original Loan (together with interest thereon, limited as provided in the Internal Revenue Service Rev. Proc. 79-5 at 26 CFR 601.201

and any subsequent amendments, modifications or replacements thereof) to redeem Series 1979 Bonds at the earliest redemption date in inverse order of maturities.

Each of the payments referred to in the preceding subsections (a) to (h), inclusive, of this Section shall be made only upon the written approval of the Authorized Lessee Representative. Before any of the payments referred to in the preceding subsections (b), (d), (e), and (h) of this Section may be made, the Authorized Lessee Representative shall certify with respect to each such payment: (i) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Project Fund, (ii) that each item for which the payment is proposed to be made is or was necessary in connection with the Project and (iii) that the Lessee has received from each payee appropriate waivers of any mechanics' or other liens (or indemnification in lieu thereof satisfactory to the Trustee). In the case of any contract providing for the retention of a portion of the contract price, there shall be paid from the Project Fund during the Completion Period only the net amount remaining after deduction of any such portion. The Trustee shall be allowed a reasonable time not to exceed ten (10) days, in view of the character of any investment or investments required to be liquidated for the purpose, for the making of any payment required by subsections (a) to (h), inclusive, of this Section. At the time of each payment evidence of the title shall be continued down to such time for possible liens or objections intervening between the date of the delivery of the Bonds and the date of such payment.

Section 4.4. Obligation of the Parties to Cooperate in Furnishing Documents to Trustee. The Lessee and Lessor agree to cooperate in furnishing to the Trustee the various documents referred to in the Lease and Indenture to effectuate the terms thereof.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Lessee Representative stating that, except for amounts retained by the Trustee for Project costs not then due and payable as provided in Section 4.3(i), (i) if Building constitutes part of the Project, acquisition and improvements, if any, to the Buildings or construction of the Building have been completed in accordance with the plans and specifications therefor, and the purchase price, all labor, services, materials and supplies used in making the acquisition, improvements or construction, if any, have been paid for, (ii) all other facilities necessary in connection with the

Project have been constructed, acquired and installed in accordance with the plans and specifications therefor and all costs and expenses incurred in connection therewith have been paid, and (iii) if machinery and equipment (Leased Equipment) constitutes part of the Project, such machinery and equipment has been installed to his satisfaction and all costs and expenses incurred in the acquisition and installation of such machinery and equipment (Leased Equipment) have been paid.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 4.6. Lessee Required to Pay Project Costs in Event Project Fund Insufficient. In the event the moneys in the Project Fund available for payment of the costs of the Project should not be sufficient to pay the costs thereof in full, the Lessee agrees to deposit in the Project Fund, moneys sufficient to pay, or to complete the Project and pay, all that portion of the costs of the Project as may be in excess of the moneys available therefor in the Project Fund.

The Lessor does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the provisions of this Lease, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection.

The Lessee agrees that if after exhaustion of the moneys in the Project Fund the Lessee should pay, or deposit moneys in the Project Fund for the payment of, any portion of the said costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Lessor or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution of the rents payable under Section 5.3 hereof.

Section 4.7. Authorized Lessee Representative. The Lessee shall appoint an Authorized Lessee Representative for the purpose of taking all actions and making all certificates required to be taken and made by the Authorized Lessee Representative under the provisions of this Lease and an alternate Authorized Lessee Representative to take any such action or make any such certificate if the same is not taken or made by the Authorized Lessee Representative.

In the event either of said persons, or any successor appointed pursuant to the provisions of this Section, should resign, become unavailable or unable to take any action or make any certificate provided for in this Lease, another Authorized Lessee Representative shall thereupon be appointed by the Lessee.

If the Lessee fails to make such designation within ten (10) days following the date when the then incumbent resigns or becomes unavailable or unable to take any of the said actions, the Lessor may upon written notice to the Lessee then appoint as a successor any architect or engineer licensed under the laws of Indiana who shall serve until an Authorized Lessee Representative is appointed by the Lessee.

Section 4.8. Lessor and Lessee to Pursue Remedies Against Contractors and Subcontractors and Their Sureties. In the event of default of any contractor or subcontractor under any contract made by it in connection with the Project or in the event of breach of warranty with respect to any material, workmanship or performance guarantee, the Lessor and Lessee will promptly proceed (subject to the Lessee's advice to the contrary), either separately or in conjunction with others, to exhaust the remedies of the Lessor and Lessee against the contractor, subcontractor or supplier so in default and against each surety for the performance of such contract. The Lessor and Lessee agree to advise the other of the steps it intends to take in connection with any such default.

If the Lessee shall so notify the Lessor, the Lessee may, in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor or surety which the Lessee deems reasonably necessary; and in such event, the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceedings.

Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing (a) if Lessee has corrected, at its own expense, the matter which gave rise to such default or breach, shall be paid to the Lessee, or (b) if Lessee has not corrected, at its own expense, the matter which gave rise to such default or breach, shall be paid into the Project Fund unless recovered after the Completion Date and full disposal of the Project Fund in accordance with Section 4.3(i) hereof, in which case they shall be paid into the Bond Fund.

Section 4.9. Investment of Project Fund and Bond Fund Moneys Permitted. Any moneys held as a part of the Project Fund and Bond Fund shall at the written request of the Authorized Lessee Representative, be invested or reinvested by the Trustee, to the extent permitted by law in direct obligations of the United States of America or in other investments permitted by law. Without limiting the generality of the foregoing, it is understood that the investments permitted hereunder include: (i) obligations issued or guaranteed by the United States; (ii) obligations issued or guaranteed by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States; (iii) obligations issued or guaranteed by any state of the United States, or the District of Columbia, or any political subdivision of any such state or District; (iv) interest bearing accounts or certificates of deposit issued by any bank, trust company or national banking association (including those issued by the Trustee) which is a member of the Federal Reserve System or is insured by the Federal Deposit Insurance Corporation; (v) prime commercial paper; (vi) prime finance company paper; (vii) bankers acceptances drawn on and accepted by commercial banks; and (viii) repurchase agreements issued by any bank, trust company or national banking association (including those issued by the Trustee) which is a member of the Federal Reserve System or is insured by the Federal Deposit Insurance Corporation and fully secured by obligations of the type specified in (i) or (ii) above. The Trustee may make any and all such investments through its own bond department.

The investment or reinvestment shall be made so that none of the funds shall be invested in any securities the maturity or redemption date of which is later than the time when such funds are required to be available for the purposes hereof, if such time can be determined.

Lessor and Lessee jointly and severally covenant that the moneys held in the Project Fund and in the Bond Fund, and any other amounts received by the Lessor in respect to property directly or indirectly financed with any proceeds of such Bonds, and proceeds from interest earned on the investment and reinvestment of such funds and proceeds, shall not be invested or otherwise used in a manner which, if such use had been reasonably expected on the date of issue of such Bonds, would have caused such Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code or any of the regulations or rules adopted pursuant to said Section 103(c). Any such investment or other use shall comply with Section 103(c) of the Internal Revenue Code and such regulations or rules adopted pursuant to said Section 103(c), as may be applicable.

As provided in the Indenture, any profit or loss on account of the investments from the Bond Fund or Project Fund shall be credited or charged, as the case may be, to the fund from which the investments were made.

(End of Article IV)

ARTICLE V

Effective Date of This Lease; Duration of Lease Term; Rental Provisions

Section 5.1. Effective Date of This Lease; Duration of Lease Term. This Lease shall become effective upon its delivery, and the leasehold estate created in this Lease shall then begin, and, subject to the provisions of this Lease (including particularly Articles X and XI hereof), shall expire _____ _____, or on such earlier dates as the Bonds have been fully paid (or provision for such payments made as provided in the Indenture), or if all of the Bonds then have not been fully paid and retired (or provision for such payments made as provided in the Indenture), on such date as such payment or provision for payment shall have been made.

Section 5.2. Delivery and Acceptance of Possession. The Lessor agrees that the Lessee will have sole and exclusive possession of the Project (subject to the right of the Lessor to enter thereon for inspection purposes and to the other provisions of Section 8.2 hereof) on and after the Completion Date, and the Lessee agrees to take sole and exclusive possession of the Project upon such delivery; provided that prior to such date for delivery of sole and exclusive possession, the Lessee may take such possession of all or any part of the Project as shall not interfere with the construction or installation of any improvements to the Project by the Lessor during the Completion Period.

The Lessor covenants and agrees that it will not take any action, other than pursuant to Article X of this Lease, to prevent the Lessee from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request of the Lessee, and at the cost of the Lessee, cooperate with the Lessee in order that the Lessee may have quiet and peaceable possession and enjoyment of the Project.

Section 5.3. Rents and Other Amounts Payable. Lessee shall pay to Trustee as rent for the Project at least three (3) business days before the first day of _____, and at least three (3) business days before the first day of each _____ thereafter until the principal of, premium, if any, and interest on the Bonds shall have been paid or provision for the payment thereof shall have been made in accordance with the Indenture (i) if the next succeeding Bond payment date is _____, a sum equal to the amount payable on such date as principal of (whether at maturity or by redemption as provided

in Section 301 of the Indenture), premium, if any, and interest on the Bonds, plus all Lease rental payments due under the Sublease from the Lessee to the Lessor and (ii) if such next succeeding Bond payment date is _____ , a sum equal to the amount payable on such date as interest on the Bonds, as provided in the Indenture. The first rent payment shall be sufficient when added to the accrued interest, if any, which is then on deposit in the Bond Fund, to pay the interest due on that date.

Each rental payment under this Section shall at all times be sufficient to pay the total amount of interest and principal (whether at maturity or by redemption as provided in Section 301 of the Indenture) and premium, if any, payable on the next payment date; provided that the Excess Amount (as hereinafter defined) held by the Trustee in the Bond Fund on a rental payment date shall be credited against the rental payment or redemption payment, if any, due on such date; and provided further, that subject to the provisions of the next succeeding sentence, if at any time the amount held by the Trustee in the Bond Fund should be sifficient to pay at the times required the principal of, premium, if any, and interest on the Bonds remaining unpaid, the Lessee shall not be obligated to make rental payments under the provisions of this Section.

Notwithstanding the provisions of the preceding sentence, if on any interest payment date the amount held by the Trustee in the Bond Fund is insufficient to make the then required payments of principal (whether at maturity or by redemption as provided in Section 301 of the Indenture), interest and premium, if any, on the Bonds on such date, the Lessee shall forthwith pay such deficiency as rent hereunder.

The term "Excess Amount" shall mean the amount, including investment income, in the Bond Fund on any date in excess of the amount required for payment of the principal of the Bonds which have matured at maturity or on a redemption date, premium, if any, on such Bonds, and past due interest in all cases where Bonds or coupons, if any, have not been presented for payment.

The Lessee agrees to pay the Trustee until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of the Indenture, (i) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as Trustee, rendered and its ordinary expenses incurred under the Indenture, as and when the same becomes due, (ii) the reasonable fees, charges and expenses of the Trustee, as Bond Registrar and paying agent as provided in

the Indenture, as and when the same become due, and (iii) the reasonable fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due, provided that the Lessee may, without creating a default hereunder, withhold such payment to contest in good faith the necessity for any such extraordinary services and extraordinary expenses and the reasonableness of any such fees, charges and expenses.

In the event the Lessee should fail to make any of the payments required in this Section, until the item or installment so in default shall have been fully paid, the Lessee agrees to pay the same to the Trustee with interest thereon at the rate of ten percent (10%) per annum until paid for deposit in the Bond Fund and application pursuant to Section 1008 of the indenture. However, the Lessee will not be required to make the rent payments required in this Section upon the payment of or provision having been made for the payment of the entire principal of, premium, if any, and interest on the Bonds.

Section 5.4. Place of Rental Payments. The rent provided for in Section 5.3 hereof shall be paid directly to the Trustee for the account of the Lessor and will be deposited in the Bond Fund. The additional payments to be made to the Trustee under Section 5.3 hereof shall be paid directly to the Trustee for its own use or for disbursement to the paying agents, as the case may be.

Section 5.5. Obligations of Lessee Hereunder Unconditional. The obligations of the Lessee to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise; and until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee (i) will not, subject to the provisions of Section 9.6 hereof, suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 5.3 hereof, (ii) will perform and observe all of its other agreements contained in this Lease, and (iii) except as provided in Sections 11.1 and 11.2 will not terminate the Lease Term for any cause, including, without limiting the generality of the foregoing, failure to complete the Project, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the

tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Indiana or any political subdivision of either, or any failure of the Lessor to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease.

Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part herein contained; and in the event the Lessor shall fail to perform any such agreement on its part, the Lessee may institute such action against the Lessor as the Lessee may deem necessary to compel performance or recover its damages for non-performance provided that no such action shall (i) violate the agreements on the part of the Lessee contained in the first sentence of this Section 5.5, or (ii) diminish the amounts required to be paid by the Lessee pursuant to Section 5.3 hereof.

The Lessee may, however, at its own cost and expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder; and in such event, the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceeding if the Lessee shall so request.

(End of Article V)

ARTICLE VI

Maintenance, Taxes and Insurance

Section 6.1. Maintenance and Modifications of Project by Lessee. The Lessee agrees that during the Lease Term it will, at its own expense (i) keep the Project in as reasonably safe condition as its operations shall permit, and (ii) keep the improvements constituting a part of the Project in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof.

The Lessee may, also at its own expense, make from time to time any additions, modifications or improvements to the Project which it may deem desirable for its business purposes that do not adversely affect the structural integrity of the Buildings or substantially reduce their value provided that all such additions, modifications and improvements to the Buildings shall be located wholly within the boundary lines of the Land, except as provided in Section 11.7 hereof.

All such additions, modifications and improvements so made by the Lessee shall become a part of the Project, except for building additions made pursuant to Section 11.7 hereof and except for any personal property, machinery, equipment or furniture installed and paid for by the Lessee which does not become an integral part of the existing machinery and equipment of the Project. Such personal property, machinery, equipment or furniture which has not become part of the Project may be removed by the Lessee at any time and from time to time provided that any damage to the Project occasioned by such removal shall be repaired by the Lessee at its own expense.

The Lessee will not permit any mechanic's lien, security interest or other encumbrance to remain against the Project, or any part thereof for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements so made by it; provided, that if the Lessee shall first notify the Trustee of its intention so to do, the Lessee may in good faith contest any mechanics' or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Lessor or the Trustee shall notify the Lessee that, in the opinion of Independent Counsel, by non-payment of any such items the lien of the Indenture as to any part of the Project will be materially endangered or the

Project or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Lessor will, at the expense of the Lessee, cooperate fully with the Lessee in any such contest.

Section 6.2. Taxes, Other Governmental Charges and Utility Charges. The Lessee will promptly pay or cause to be paid, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any interest therein or any machinery, equipment or other property installed or brought by the Lessee therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the revenues, income or profits of the Lessee from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Indenture or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all ad valorem taxes lawfully assessed upon the land described in Exhibit A attached hereto and made part hereof) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by lien on the Project or on the land described in Exhibit A attached hereto and made a part hereof; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

The Lessee may, at its expense and in its own name and behalf or in the name and behalf of the Lessor, in good faith, contest any such taxes, assessments and other charges, and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided during such period enforcement of any such contested item shall be effectively stayed. The Lessor, at the expense of the Lessee, will cooperate fully with the Lessee in any such contest.

In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Lessor or the Trustee may (but shall be under no obligation to) pay the same, provided that at least ten (10) days' prior written notice of the intent to make such payment is given to the Lessee, and any amounts so advanced therefor by

the Lessor or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the rate of ten percent (10%) per annum from the date thereof, the Lessee agrees to pay.

Section 6.3. Insurance Required. During the Completion Period and throughout the Lease Term, the Lessee shall keep the Project continuously insured and pay, as the same become due, all premiums in respect to:

(a) Insurance against loss or damage by fire and lightning with extended coverage endorsement, limited only as may be provided in the standard form of extended coverage endorsement at the time in use in Indiana, in the amount of at least eighty percent (80%) of the insurable actual cash value of the Project, but in any event at least sufficient to prevent Lessee from becoming a co-insurer with respect to the Project (with deductible provisions not to exceed $50,000 in any one casualty), provided that such insurance need not be taken out until the installation or construction of the Project has commenced, or materials for such construction or installation have been stored on the Land.

(b) Insurance to the extent of One Million Dollars ($1,000,000) per occurrence against liability for bodily injury, including death resulting therefrom, and damage to property including loss of use thereof, occurring on or in any way related to the Project or any part thereof.

As an alternative to the above, the Lessee may insure such property under a blanket insurance policy or policies which cover not only such property but other properties.

During the Completion Period, the Lessee shall carry, or cause the contractor or contractors for the Project to carry, builders' risk insurance of such character and in such amounts as are customarily carried on similar projects in the State of Indiana.

Section 6.4. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3(a) and (b) hereof shall be received by the Lessee and shall then be paid and applied as provided in Section 7.1 hereof, and the Net Proceeds of insurance carried pursuant to the provisions of Section 6.3(c) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

Section 6.5. Additional Provisions Respecting Insurance. All insurance required by Section 6.3 hereof shall be taken out and maintained in generally recognized responsible insurance companies selected by the Lessee. All policies covering loss or damage to the Building and the Leased Equipment shall provide for payment to the Lessor, the Lessee and the Trustee, as their respective interests may appear; and the policies required by Section 6.3(a) and 6.3(b) shall contain standard mortgagee clauses requiring that all Net Proceeds resulting from any claim in excess of $50,000 for loss or damage covered thereby be paid to the Trustee; provided, however, that all clai-s, regardless of amount, may be adjusted by the Lessee with the insurers, subject to approval of the Trustee or Lessor to the extent that their interests may appear as to any settlement of any claim in excess of $50,000. The policies required by Section 6.3(c) shall include the Lessor as an insured.

A certificate, or certificates, of the insurers that the insurance required by Section 6.3(a), 6.3(b) and 6.3(c) is in force and effect shall be deposited with the Trustee, and prior to the expiration of any such policy, the Lessee shall furnish the Trustee with evidence satisfactory to the Trustee that the policy has been renewed or replaced, or is no longer required by this Lease. The insurance herein required may be contained in blanket policies now or hereafter maintained by the Lessee.

Section 6.6. Advances by Lessor and Trustee. In the event the Lessee shall fail to maintain the full insurance coverage required by this Lease, or shall fail to keep the Project in as reasonably safe condition as its operating condition will permit, or shall fail to keep the Building and the Leased Equipment in good repair and good operating condition, the Lessor or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts so advanced therefor by the Lessor or the Trustee shall become an additional obligation of the Lessee to the one making the advancement, which amounts, together with interest thereon at the rate of ten percent (10%) per annum from the date thereof, the Lessee agrees to pay.

Section 6.7. Workmen's Compensation Coverage. During the Completion Period and throughout the Lease Term, the Lessee shall self insure, maintain, or cause to be maintained, in connection with the Project, the Workmen's Compensation protection required by the laws of the State of Indiana.

Section 6.8. Removal of Leased Equipment. The Lessor shall not be under any obligation to renew, repair or replace any indequate, obsolete, worn out, unsuitable, undesirable or unnecessary Leased Equipment. In any instance where the Lessee in its sound discretion determines that any items of Leased Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of Leased Equipment from the Building and the Land and (as a whole or in part) without any responsibility or accountability to the Lessor or the Trustee therefor, provided that the Lessee:

(a) Substitutes (either by direct payment of the costs thereof or by advancing to the Lessor the funds necessary therefor) and installs anywhere in the Building or on the Land other machinery or equipment having equal or greater value (but not necessarily having the same function) in the operation of the Building as a paper distribution center facility, all of which substituted machinery or equipment shall be free of all liens and encumbrances (other than Permitted Encumbrances) but shall become a part of the Leased Equipment; or

(b) (i) in the case of the sale of any such equipment to anyone other than itself or in the case of the scapping thereof, the Lessee shall pay into the Bond Fund the proceeds from such sale or the scrap value thereof, as the case may be, (ii) in the case of the trade-in of such equipment for other equipment not to be installed in the Building or on the Land, the Lessee shall pay into the Bond Fund the amount of the credit received by it in such trade-in, and (iii) in the case of the sale of any such equipment to the Lessee or a related company, the Lessee shall pay into the Bond Fund an amount equal to the original cost thereof to the Lessee less depreciation at rates calculated in accordance with generally accepted accounting practice.

In the event that Lessee prior to such removal of items of Leased Equipment from the Building and the Land has acquired and installed machinery or equipment with its own funds which has become an integral part of the Leased Equipment, Lessee may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment into the Bond Fund, providing that the provisions of this Section shall not relieve the Lessee of its obligations under the first sentence of Section 6.1 hereof.

The removal from the Project of any portion of the Leased Equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

The Lessee will promptly report to the Trustee each such removal, substitution, sale or other disposition of any item of Leased Equipment having a depreciated value (calculated in accordance with generally accepted accounting practice) of more than $5,000 and will pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid into the Bond Fund promptly after the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the Bond Fund on account of all such sales, trade-ins, or other disposition not previously reported aggregates at least $50,000.

The Lessee will pay any costs (including counsel fees) incurred in subjecting to the lien of the Indenture any items of machinery or equipment that under the provisions of this Section are to become a part of the Leased Equipment.

The Lessee will not remove, or permit the removal of, any of the Leased Equipment from the Land except in accordance with the provisions of this Section.

(End of Article VI)

ARTICLE VII

Damage, Destruction and Condemnation

Section 7.1. Damage and Destruction. Unless the Lessee shall have exercised its option to purchase pursuant to the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is destroyed (in whole or in part) or is damaged by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.3(a) and (b) hereof resulting from such destruction or damage is not greater than $50,000, the Lessee, or the Lessor, at the Lessee's direction and expense, (i) will promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair productive capacity or the character of the Project as a paper distribution center, and (ii) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such claims for losses, as well as any additional moneys of the Lessee necessary therefor. All Net Proceeds of insurance resulting from such claims for losses not in excess of $50,000 shall be paid to the Lessee.

Unless the Lessee shall have exercised its option to purchase pursuant to the provisions of Section 11.2(a) hereof, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Project is destroyed (in whole or in part) or is damaged by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.3(a) and (b) hereof resulting from such destruction or damage is in excess of $50,000, the Lessee shall promptly give written notice thereof to the Trustee.

All Net Proceeds of insurance resulting from such claims for losses in excess of $50,000 shall be paid to and held by the Trustee in a separate trust account, whereupon (i) the Lessee, or the Lessor, at the Lessee's direction, will proceed promptly to repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by

the Lessee and as will not impair productive capacity or the character of the Project as a paper distribution center, and (ii) the Trustee will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses as directed by the Lessee.

In the event said Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the Lessee will, nonetheless, complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said Net Proceeds, or will advance to the Lessor or the Trustee the moneys necessary to complete said work, in which case the Lessor will proceed so to complete said work.

Any moneys held by the Trustee in the separate trust account under the provisions of the preceding paragraph shall, at the written request of the Authorized Lessee Representative, be invested or reinvested by the Trustee in investments enumerated in Section 4.9 hereof. The Lessee shall forthwith pay to the Trustee the amount of any net losses with respect to principal on such investments.

Any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be paid into the Bond Fund. If the Lessee shall so direct the Lessor in writing within ninety (90) days following the payment of any such Net Proceeds into the Bond Fund, the Lessor shall cause such Net Proceeds, or such part thereof as the Lessee shall direct, to be applied by the Trustee to the redemption, at the earliest possible date, of the Bonds at the principal amount thereof plus accrued interest to the redemption date. If the Bonds have been fully paid (or provision for the payment thereof has been made in accordance with the Indenture) all Net Proceeds will be paid to the Lessee.

The Lessee shall not, by reason of the payment of such excess costs (whether by direct payment thereof or advances to the Lessor or Trustee therefor), be entitled to any reimbursement from the Lessor, the Trustee, or the holders or owners of the Bonds, or any abatement or diminution of the rents payable under Section 5.3 hereof.

of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental and all other payments specified in Section 5.3 hereof. The Lessor, the Lessee and the Trustee will cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings, to be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by the Lessee:

(a) The restoration of the improvements located on the Land to substantially the same condition as they existed prior to the exercise of the said power of eminent domain.

(b) The acquisition, by construction or otherwise, by the Lessor of other improvements suitable for the Lessee's operations on or adjacent to the site of the Project (which improvements shall be deemed a part of the Project and available for use and occupancy by the Lessee without the payment of any rent other than as herein provided to the same extent as if such other improvements were specifically described herein and demised hereby); provided, that such improvements shall be acquired by the Lessor subject to no liens or encumbrances prior to the lien of the Indenture, other than Permitted Encumbrances.

(c) Redemption of any of the Bonds together with accrued interest thereon to the date of redemption; provided, that no part of any such condemnation award may be applied for such redemption, unless (i) all of the Bonds are to be redeemed in accordance with the Indenture upon exercise of the option to purchase provided for by Section 11.2(b) hereof, or (ii) in the event that less than all of the Bonds are to be redeemed, the Lessee shall furnish to the Lessor and the Trustee a certificate of an Independent Engineer acceptable to the Lessor and the Trustee stating (i) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Lessee's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for the Lessee's operations at the Project as contemplated by the foregoing subsection (b) of this Section.

Unless the Lessee shall have exercised its option to purchase, pursuant to the provisions of Section 11.2(b) hereof within ninety (90) days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall direct the Lessor and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the condemnation award applied. Any balance of the Net Proceeds of the award in such eminent domain proceedings shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), all Net Proceeds will be paid to the Lessee.

Any moneys held by the Trustee under the provisions of the preceding paragraph shall, at the written request of the Authorized Lessee Representative, be invested or reinvested by the Trustee in investments enumerated in Section 4.9 hereof. The Lessee shall forthwith pay to the Trustee the amount of any net losses with respect to principal on such investments.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceedings in the name and behalf of the Lessor. In no event will the Lessor voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Lessee.

Section 7.3. Condemnation of Lessee-Owned Property. The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or takings of its own property not included in the Project; provided, that any Net Proceeds resulting from damages to or taking of all or a portion of the Leasehold estate of the Lessee in the Project created by this Lease shall be paid and applied in the manner provided in Section 7.2 hereof, except that Lessee shall be entitled to any such Net Proceeds representing damages on account of the taking of or interference with the Lessee's rights to possession, use or occupancy of the Project.

(End of Article VII)

ARTICLE VIII

Special Covenants

Section 8.1. No Warranty of Condition or Suitability by the Lessor. The Lessor makes no warranty, either express or implied, as to the condition of the Project, or any part thereof, or that it will be suitable for the Lessee's purposes or needs.

Section 8.2. Lessor's Right of Access to the Project. The Lessee agrees that the Lessor, the Trustee and their or either of their duly authorized agents shall have the right at all reasonable times during business hours, subject to Lessee's safety and security requirements to enter upon the Land and to examine and inspect the Project without interference or prejudice to the Lessee's operation.

The Lessee further agrees that the Lessor and its duly authorized agents shall have such rights of access to the Project as may be reasonably necessary to cause to be completed the construction and installation provided for in Section 4.1 hereof, and thereafter for the proper maintenance of the Project, in the event of failure by the Lessee to perform its obligations under Section 6.1 hereof.

Section 8.3. Lessee to Maintain its Partnership Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term it will maintain its partnership existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or association, or permit one or more other corporations or associations to consolidate with or merge into it; provided, that the Lessee may, without violating the agreement contained in this Section (a) consolidate with or merge into another corporation or association, or permit one or more other corporations or associations to consolidate or merge into it, provided the surviving or resulting corporations or associations, as the case may be, are organized under the laws of one of the states of the United States, or (b) transfer to another corporation or association organized under the laws of one of the states of the United States all or substantially all of its assets as an entirety and thereafter dissolve; provided, however, that the surviving or resulting corporation or association or the corporation or association to which such transfer is made (i) expressly assumes in writing all of the obligations of the Lessee hereunder; and (ii) has a net worth after such merger, consolidation or transfer at least equal to 95% of the net worth of the Lessee prior to such merger, consolidation, or transfer.

Section 8.4. Qualification in Indiana. The Lessee covenants that throughout the Lease Term it will be organized under the laws of a state of the United States of America, and be duly qualified to do business in Indiana.

Section 8.5. Granting of Easements. Subject to Section 802 of the Indenture, if no event of default shall have happened and be continuing, the Lessee may at any time or times grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Indenture, free from the lien of the Indenture, or Lessee may release existing easement, licenses, rights-of-way or other rights or privileges with or without consideration, and the Lessor agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege upon receipt of: (i) a copy of the instrument of grant or release, (ii) a written application signed by an authorized officer of the Lessee requesting such instrument, and (iii) a certificate executed by the Authorized Lessee Representative stating (1) that such grant or release is not detrimental to the proper conduct of the business of the Lessee, and (2) that such grant or release will not impair the effective use or interfere with the operation of the Project and will not materially weaken, diminish or impair the security intended to be given by or under the Indenture.

Section 8.6. Release and Indemnification Covenants. The Lessee releases the Lessor from, covenants and agrees that the Lessor shall not be liable for, and agrees to indemnify and hold the Lessor harmless against, any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in any part of the Project or the other improvements on the Land; provided that the indemnity provided in this sentence shall be effective only to the extent of any loss that may be sustained by the Lessor in excess of the Net Proceeds received from any insurance carried with respect to the loss sustained, and provided further, that the indemnity shall not be effective for damages that result from negligence or intentional acts on the part of the Lessor. To this end, the Lessee will cause the Lessor to be listed as an insured in the public liability policies required in subsection (b) of Section 6.3 hereof.

Whenever under the provisions of this Lease the approval of the Lessee is required, or the Lessor is required to take some action at the request of the Lessee, such approval or such

request shall be made by the Authorized Lessee Representative, unless otherwise specified in this Lease; and the Lessor or the Trustee shall be authorized to act on any such approval or request, and the Lessee shall have no complaint against the Lessor or the Trustee as a result of any such action taken.

Section 8.7. Tax Exempt Status of Bonds. The Lessee further covenants that it will not take any action which, or fail to take any action which failure will cause the interest on the Bonds to become subject to federal income taxes pursuant to the provisions of Section 103(b) of the Internal Revenue Code so long as any of the Bonds are outstanding under the Indenture; provided, that the Lessee shall not have violated this covenant if the interest on any of the Bonds becomes taxable to a person who is a substantial user of the Project or a related person pursuant to the provisions of Section 103(b)(8) of the Internal Revenue Code.

Section 8.8. Covenants of Lessee with Respect to Capital Expenditures. The Lessor is issuing the Bonds pursuant to an election made under Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended. In order to insure that interest on the Bonds will not become subject to Federal Income Taxes as a result of a violation of the capital expenditures limitation prescribed in said Section 103(b)(6)(D), the Lessee covenants with the Lessor, the Trustee, and with each of the future holders of any Bonds as follows:

(a) That all rights and privileges granted to the Lessee hereunder shall be exercised in such manner that the covenants made by this Section 8.8 shall be observed, and if any conflict between Section 8.8 and any other provision of this Lease shall arise, then in such case, Section 8.8 shall control;

(b) That there will be no occurrence of any circumstance set forth in Sections 103(b)(6)(D) and (E) of the Internal Revenue Code of 1954 which might cause interest on the Bonds to lose its tax exempt status;

(c) That on the date on which the Bonds are delivered to the original purchaser or purchasers thereof and on a date within the thirty days following _____ _____, the Lessee shall cause to be filed with the Trustee a certificate of an independent accountant of national standing, stating with respect to the period beginning thirty-six months prior to such delivery date of said Bonds and, in the case of the first such certificate, ending on such delivery date

first such certificate, ending on such delivery date and, in the case of each subsequent certificate, ending within thirty days prior to the anniversary date next preceding the date of such certificate, that the principal amount of said Bonds plus the aggregate amount of capital expenditures (other than capital expenditures described in Section 103(b)(6)(F) of the Internal Revenue Code of 1954) with respect to "facilities" (as defined in Section 103(b)(6)(E) of the Internal Revenue Code of 1954 and financed otherwise than out of the proceeds of the Bonds) located in Allen County are not in excess of $10,000,000, and there shall be submitted to such accountant such books and records of the Lessee pertaining to the Project as may be necessary to enable such accountant to render such certificate;

(d) That on such dates as the certificates of an independent accountant are required to be filed with the Trustee pursuant to paragraph (c) of this Section, there shall be filed with the Trustee by the Lessee a certificate of the president or the chief financial officer of the Lessee which complies with the requirements for the certificate required to be filed on such date by paragraph (c) of this Section; and

(e) That it will comply with the governing regulations from time to time applicable to Section 103 of the Internal Revenue Code of 1954 to the extent that compliance therewith is necessary in order that interest on the Bonds shall remain exempt.

(End of Article VIII)

ARTICLE IX

Assignment, Subleasing, Mortgaging and Selling; Redemption; Rent Prepayment and Abatement

Section 9.1. Assignment and Subleasing. This Lease may be assigned in whole or in part, and the Project may be subleased as a whole or in part, by the Lessee without the necessity of obtaining the consent of either the Lessor or the Trustee, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 8.3 hereof) shall relieve the Lessee from primary liability for any of its obligations hereunder; and in the event of any such assignment, the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3 hereof and for performance and observance of the other covenants, warranties, representations and agreements on its part herein provided to be performed and observed by it to the same extent as though no assignment had been made.

(b) The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

(c) The Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Lessor and to the Trustee a true and complete copy of each such assignment, assumption of obligations and sublease, as the case may be.

Provided, however, that the Lessee shall not be permitted to mortgage or grant a lien or security interest in its leasehold interest created herein without the consent of the Lessor, the Trustee and the holders of two-thirds in principal amount of the Bonds outstanding.

Section 9.2. Mortgaging of Project by Lessor. The Lessor shall mortgage the Mortgaged Project, and shall assign its interest in and pledge any moneys receivable under this Lease, to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds, but each such mortgage, assignment or pledge shall be subject and subordinate to this Lease so long as Lessee shall not be in default under any of its obligations.

Section 9.3. Restriction on Sale of Project by Lessor. The Lessor agrees that, except as set forth in Section 9.2 hereof or other provisions of this Lease or the Indenture, it will not sell, convey, mortgage, encumber or otherwise dispose

of any part of the Project during the Lease Term or option period after expiration of the Lease Term.

Section 9.4. Redemption of Bonds. If the Lessee is not in default in the payment of rent under Section 5.3 hereof, the Lessor, at the request at any time of the Lessee, and if the the Bonds are then callable, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds, as may be specified by the Lessee, on the earliest redemption date on which such redemption may be made under such applicable provisions.

Section 9.5. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, to prepay all or any part of the rents payable under Section 5.3 hereof; and the Lessee agrees that the Trustee may accept such prepayment of rents when the same are tendered by the Lessee. All rents so prepaid shall be credited on the rental payments specified in Section 5.3 hereof, in inverse order of their due dates, and shall be used for the optional redemption of outstanding Bonds in the manner and to the extent provided in Section 301 of the Indenture.

Section 9.6. Lessee Entitled to Certain Rent Abatements If Bonds Paid Prior to Maturity. If at any time the aggregate moneys in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Indenture all of the Bonds at the time outstanding, and to pay all fees and charges of the Trustee and any paying agents due or to become due through the date on which the last of the Bonds is retired, under circumstances not resulting in termination of the Lease Term, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate moneys are in the hands of the Trustee to and including the end of the Lease Term, without the payments of rent during that interval (but otherwise on the terms and conditions hereof).

Section 9.7. Installation of Lessee's Own Machinery and Equipment. In addition to the machinery and equipment installed by the Lessee under the provisions of Section 6.1 hereof which does not become an integral part of the machinery and equipment of the Project thereunder, the Lessee may from time to time, in its sole discretion and at its own expense, install additional machinery and equipment in the Building or on the Land.

All machinery and equipment so installed by the Lessee, unless it is provided as substitute equipment pursuant to Section 6.8 hereof, shall remain the sole property of the Lessee

in which neither the Lessor nor the Trustee shall have any interest, may be modified or removed at any time, and shall not be subject to the lien of the Indenture.

The Lessee shall tag or otherwise suitably identify, without expense to the Lessor, all tangible personal property constituting the sole property of the Lessee and not constituting a part of the machinery or equipment of the Project, so as to indicate the lack of any interest of the Lessor and the Trustee therein.

Section 9.8. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), and all fees and charges of the Trustee and any paying agents, all references in this Lease to the Bonds, and the Trustee, and any paying agents shall be ineffective and neither the Trustee nor the holders of any of the Bonds or coupons, if any, shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested.

(End of Article IX)

ARTICLE X

Events of Default and Remedies

Section 10.1. Events of Default Defined. The following shall be "events of default" under this Lease, and the terms "events of default" or "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Failure by the Lessee to pay the rents required to be paid under Section 5.3 hereof at the times specified therein, and continuation of said failure for a period of three (3) days.

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after written notice to Lessee, specifying such failure and requesting that it be remedied, given to the Lessee by the Lessor or the Trustee, unless the Lessor and the Trustee shall agree in writing to an extension of such time prior to its expiration. If a failure under this Section 10.1(b) be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the failure is corrected as provided in Section 1013 of the Indenture.

(c) The dissolution or liquidation of the Lessee, or the filing by the Lessee of voluntary petition in bankruptcy, or failure by the Lessee promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Project or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted.

The term "dissolution or liquidation of the Lessee," as used in this subsection, shall not be construed to include the cessation of the existence of the Lessee

resulting either from a merger or consolidation of the Lessee into or with another entity or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 8.3 hereof. A default under this Section 10.1(c) shall not constitute an event of default so long as the payments called for in Article V hereof are made.

Section 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be subsisting, the Lessor may take any one or more of the following remedial steps:

(a) The Lessor or the Trustee as provided in the Indenture may, at its option, after thirty (30) days' written notice given to the Lessee specifying the event of default, declare all installments of rent payable under Section 5.3 hereof for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Lessor or the Trustee elects to exercise the remedy afforded in this Section 10.2(a) and accelerate all installments of rent payable under Section 5.3 hereof, the amount then due and payable by the Lessee as accelerated rent shall be the sum of:

(i) all principal payments of the Bonds then outstanding and unpaid, and

(ii) all interest payments on the Bonds then due, together with interest payments to become due at the accelerated maturity date, and

(iii) any premium on the Bonds payable if the Trustee elects or is required to declare all of the principal of and interest on the Bonds immediately due and payable under Section 1002 of the Indenture.

(b) The Lessor, after ten (10) days' written notice given to the Lessee specifying the event of default, with the prior written consent of the Trustee, shall be entitled to seek possession of the Mortgaged Project but in accordance with the procedures and requirements of Indiana law, without terminating this Lease, and sublease the Mortgaged Project for the account of Lessee, holding the Lessee liable for the difference between the rent and other amounts payable by such sublessee in such subleasing and the rents and other amounts payable by the Lessee hereunder.

(c) The Lessor, after ten (10) days' written notice given to the Lessee specifying the event of default, with the prior written consent of the Trustee, may terminate the Lease Term, exclude the Lessee from possession of the Project but in accordance with the procedures and requirements of Indiana law and use its best efforts to lease the Project to another, holding the Lessee liable for all rent and other payments due up to the effective date of such leasing.

(d) Subject to the execution of an acceptable confidentiality agreement, in the event any of the Bonds shall at the time be outstanding and unpaid, the Lessor may, after ten (10) days' written notice given to the Lessee specifying the event of default, have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Lessee.

(e) The Lessor may, after ten (10) days' written notice given to the Lessee specifying the event of default, take whatever action at law or in equity may appear necessary or desirable to collect the rent and any other amounts payable by Lessee hereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in acordance with the provisions of the Indenture), to the Lessee.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Lessor hereunder shall also extend to the Trustee, and the Trustee and the holders of the Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 10.4. Agreement to Pay Attorneys' Fees and Expenses. The Lessee agrees that it will on demand therefor pay to the Lessor or the Trustee, as the case may be, the reasonable fees of any attorneys and other expenses as may be incurred by the Lessor or the Trustee as a result of a default by the Lessee under any of the provisions of this Lease and resultant proceedings for the collection of amounts payable hereunder or the enforcement or performance or observance of any obligation or agreement on the part of the Lessee herein contained.

Section 10.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(End of Article X)

ARTICLE XI

Options in Favor of Lessee

Section 11.1. General Option to Purchase Mortgaged Project and Terminate Lease. The Lessee shall have, and is hereby granted so long as it is not in default in payment of the rents, the option to purchase the Mortgaged Project at any time prior to, or within one hundred eighty (180) days after, the expiration or sooner termination of the Lease Term or any renewal term.

To exercise this option, if all the Bonds and coupons appertaining thereto, if any, (and premium, if any) have been fully paid (or provision for the payment thereof shall have been made in accordance with the provisions of the Indenture), the Lessee shall give written notice to the Lessor of the exercise of such option, and the purchase price shall be the sum of One Dollar ($1.00) for the Mortgaged Project.

To exercise this option, if any of the Bonds or coupons appertaining thereto, if any, (and premium, if any) shall then be unpaid (or provision for the payment thereof shall not have been made in accordance with the provisions of the Indenture), the Lessee shall give written notice to the Lessor and to the Trustee, and shall specify therein the date of closing such purchase, which date shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed; and in case of a redemption of the Bonds in accordance with the provisions of the Indenture, the Lessee shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Lessee in the event of its exercise of the option granted in this paragraph shall be the sum of the following:

(1) an amount of money which, when added to the amount then on deposit in the Bond Fund, will be sufficient to retire and redeem all the then outstanding Bonds on the earliest redemption date next succeeding the closing date, including without limitation, principal, premium, if any, all interest to accrue to said redemption date and redemption expense, plus

(2) an amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) the sum of One Dollar ($1.00) for the Mortgaged Project.

Section 11.2. Option and Obligation to Purchase Mortgaged Project in Certain Events. The Lessee shall also have, and is hereby granted, the option, and obligation in the case of subsection (d) hereof, to purchase the Mortgaged Project prior to the full payment of all of the Bonds (or provisions for payment thereof having been made in accordance with provisions of the Indenture), if any of the following shall have occurred:

(a) The Project shall have been damaged or destroyed as set forth in Section 7.1 hereof (i) to such extent that, in the opinion of the Lessee, it cannot be reasonably restored within a period of six (6) consecutive months to the condition thereof immediately preceding such damage or destruction, or (ii) to such extent that, in the opinion of the Lessee, the Lessee is thereby prevented from carrying on its normal operations for a period of six (6) consecutive months, or (iii) to such extent that the cost of restoration thereof would exceed by more than $50,000 the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.3 hereof.

(b) Title to, or the temporary use of, all or substantially all the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority (including such a taking or takings as results, in the opinion of an Independent Engineer as expressed in a certificate filed with the Lessor and the Trustee, in the Lessee being thereby prevented from carrying on its normal operations therein for a period of at least six (6) consecutive months).

(c) As a result of any changes in the constitution of Indiana or the Constitution of the United States of America, or of legislative or administrative action (whether state or federal), or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Lessee in good faith, this Lease shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this agreement, or unreasonable burdens or excessive liabilities shall have been imposed on the Lessor or the Lessee including without limitation federal, state or other ad valorem property, income or other taxes not being imposed on the date of this Lease.

(d) A Determination of Taxability occurs as set forth in Section 11.6 hereof.

In case of any of the above events stated in subsection (a), (b) or (c) of this Section, the Lessee, if it exercises its option to purchase the Mortgaged Project, must purchase the Mortgaged Project within one hundred eighty (180) days after such event. To exercise such options, the Lessee shall within ninety (90) days following the event authorizing the exercise of such option, give written notice to the Lessor and to the Trustee, if any of the Bonds shall then be unpaid or provision for payment shall not have been made in accordance with the provisions of the Indenture, and shall specify therein the date of closing such purchase, which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

In the case of the event stated in subsection (d) of this Section, the Lessee must comply with such requirements and purchase the Mortgaged Project within one hundred eighty (180) days after such event. In complying with such requirement, the Lessee shall within ninety (90) days following that event give written notice to the Lessor and to the Trustee, if any Bonds shall then be unpaid or provision for payment shall not have been made in accordance with the provisions of the Indenture, and shall specify therein the date of closing such purchase, which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

The purchase price payable by the Lessee in the event of the mandatory purchase stated in subsection (d) hereof shall be the sum set forth in Section 11.6 hereof. The purchase price payable by the Lessee in the event of its exercise of the option under the circumstances of (a), (b) or (c) hereof shall be the respective sums set forth in Section 301 of the Indenture. In the event of the exercise of any option granted or performance of any mandatory requirement in this Section and the purchase by the Lessee of the Mortgaged Project, any Net Proceeds of insurance or condemnation shall be paid to the Lessee.

Section 11.3. Option to Purchase Unimproved Land. Subject to Section 802 of the Indenture, the Lessee shall have, and is hereby granted, the option to purchase any unimproved part of the Land (on which neither the Building nor any machinery or equipment of the Project is located but upon which transportation, parking or utility facilities may be located) at any time

and from time to time at and for a purchase price equal to the cost thereof provided that it furnishes the Lessor with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the Land with respect to which such option is to be exercised, (ii) a statement that the Lessee intends to exercise its option to purchase such portion of the Land on a date stated, which shall not be less than forty-five (45) nor more than ninety (90) days from the date of such notice.

(b) A certificate of an Independent Engineer who is acceptable to the Trustee, dated not more than ninety (90) days prior to the date of the purchase and stating that, in the opinion of the person signing such certificate (i) the portion of the Land with respect to which the option is exercised is not needed for the operation of the Project for the purpose hereinabove stated, and (ii) the purchase will not impair the usefulness of the Project as a retail store and will not destroy the means of ingress thereto and/or egress therefrom.

(c) An amount of money equal to the purchase price paid therefor, computed as provided in this Section.

The Lessor agrees that upon receipt of the notice, certificate and any money required in this Section to be furnished to it by the Lessee, the Lessor will promptly deliver such money to the Trustee for deposit in the Bond Fund and secure from the Trustee a release from the lien of the Indenture of such portion of the Land with respect to which the Lessee shall have exercised the option granted to it in this Section.

In the event the Lessee shall exercise the option granted to it under this Section, the Lessee shall not be entitled to any abatement or diminution of the rents payable under Section 5.3 hereof except as otherwise provided in Section 5.3 hereof, and if such option relates to Land on which transportation, parking or utility facilities are located, the Lessor shall retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project.

Section 11.4. Conveyance on Exercise of Option to Purchase. At the closing of the purchase, pursuant to the exercise of any option to purchase granted herein, the Lessor will upon receipt of the purchase price, deliver to the Lessee the following:

(a) If the Indenture shall not at the time have been satisfied in full, a release from the Trustee of the property with respect to which the option was exercised.

(b) Documents conveying to the Lessee good and marketable title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances other than the Indenture and this Lease; and (v) if the option is exercised pursuant to the provisions of Section 11.2(b) hereof, the rights and title of the condemning authority.

Section 11.5. Relative Position of Options and Indenture. The options respectively granted to the Lessee in this Article except under Section 11.3 hereof shall be and remain prior and superior to the Indenture and may be exercised whether or not the Lessee is in default hereunder, provided that such default will not result in nonfulfillment of any condition to the exercise of any such option.

Section 11.6. Determination of Taxability. Should there occur a Determination of Taxability, the Lessee shall immediately pay to the Trustee for redemption pursuant to Section 301 of the Indenture:

(a) 103% of the principal amount of the outstanding Bonds on the date of the Determination of Taxability, plus accrued interest to the redemption date, if the Determination of Taxability results from any act or omission to act on the part of the Lessee or the Prime Sublessee, including without implied limitation, breach of the Lessee's covenants in Section 8.8 hereof; or

(b) 100% of the principal amount of the outstanding Bonds on the date of the Determination of Taxability, plus accrued interest to the redemption date, if the Determination of Taxability does not result from any act or omission to act on the part of the Lessee or the Prime Sublessee. Redemption of the Bonds in full shall occur within six months following the date of the Determination of Taxability.

(c) If the Determination of Taxability shall have found an Event of Taxability to have occurred, an amount equal to one (1) year's interest borne by each of the Bonds not then outstanding but which was outstanding at the time of the "Event of Taxability" as hereinafter defined for each twelve (12) month period or part thereof elapsed between such Event of Taxability and the date the such Bond was paid or redeemed. Such amount shall be held and disbursed by the Trustee as provided in Section 505 of the Indenture and shall constitute total compensation due the Lessor and the holders of such Bonds as a result of the occurrence of such Event of Taxability and in satisfaction of the purchase price for the Project and consequently the Lessee's obligation to pay rent.

An "Event of Taxability" shall mean the occurrence of the circumstances described in Sections 103(b) or 103(c) of the Internal Revenue Code of 1954, as amended, (the "Code"), as then in effect, resulting from any action or inaction on the part of the principal users of the Project or related persons as such are defined in the Code, which circumstances the Determination of Taxability shall have found to have occurred, with the result that the interest payable on the Bonds becomes includable in the gross income of the holders of the Bonds (other than a holder who is a substantial user or related person as such are defined in the Code).

A "Determination of Taxability" shall mean (i) the issuance of a statutory notice of deficiency or ruling by the Internal Revenue Service which holds in effect that the interest payable on any of the Bonds is includable in the gross income of a holder thereof (other than a holder who is a "substantial user" of the Project or "related person" as such terms are defined in the Code) as a result of the limitations prescribed in Section 103(b)(6) of the Code, having been exceeded, or the Bonds being "arbitrage bonds" under Section 103(c) of the Code, or the proceeds of the Bonds being used for purposes which are not permitted under Section 103(b)(6) or (ii) the issuance of a statement by the Lessee to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under Section 103(b)(6)(D) of the Code. Such a Determination of Taxability shall be deemed for all purposes of the Lease to have occurred on the date borne by said statutory notice of deficiency or said ruling or the date borne by such statement, whichever shall be applicable; provided, however, that a Determination of Taxability as defined in this clause (i) shall not be deemed to have occurred for so long as the Lessee shall in good faith contest such determination through

appropriate legal proceedings to the extent it is legally permitted to do so. In order to allow the Lessee the right to contest such determination, the Bondholders and the Trustee, on behalf of such Bondholders, covenant to cooperate witn the Lessee in such contest or action and hereby appoint the Lessee as their attorney-in-fact to contest the occurrence of a Determination of Taxability pursuant to clause (i) hereof. For so long as the Lessee is legally able to contest such determination and is in good faith prosecuting such contest to a final determination by a court of competent jurisdiction, the Determination of Taxability referred to in clause (i) shall not be deemed to have occurred.

Upon the redemption date as provided in Section 11.2 hereof, and provided there is on deposit in the Bond Fund the total amount as required hereby, such amounts shall constitute total compensation due the Lessor and the holders of the Bonds as a result of an occurrence of a Determination of Taxability and of an Event of Taxability and other occurrence of taxability, respectively, if any, and in satisfaction of the Lessee's rent obligations under the Lease. Provided that upon such redemption date there is on deposit in the Bond Fund the total amount as hereinabove required, the Lessee will be entitled to purchase the Mortgage Project by giving written notice of such election to the Lessor not later than said redemption date for a purchase price consisting os said same amount on deposit in the Bond Fund, plus the sum of One Dollar ($1.00) and any and all other amounts then due to the Lessor under the Lease. Conveyance of the Mortgaged Project shall be in accordance with Section 11.4 of the Lease.

Section 11.7. Option to Make Addition to Building. Subject to Section 802 of the Indenture, the Lessee shall have, and is hereby granted, the option to construct an addition to the Building on any unimproved part of the Land which may have been purchased by the Lessee pursuant to Section 11.3 hereof and/or on any non-leased land contiguous thereto and to use the outside wall of the Building as a common wall and to make such openings between the Building and the addition as may be necessary, provided:

> If any physical features of the Project, including but not limited to floors, walls, ceilings, roofs, structural supports, fixtures, heating plant, utility services, loading dock facilities and lateral support are altered of removed as a result of such addition, the Lessee snall (i) furnish notice in writing to the Lessor and Trustee dated not less than ninety (90) days prior to the start of construction describing the proposed addition and stating its intention to exercise this option, (ii) furnish the Lessor and Trustee a certificate of an Independent Engineer who is

acceptable to the Trustee, dated not less than ninety (90) days prior to the date of the commencement of construction stating that, in the opinion of such Independent Engineer, the portion of the Building to be altered or removed is not needed for the operation of the Project as a retail store independent of the addition thereto, and that any such alteration or removal will not impair the usefulness of the Project as a paper distribution center, and (iii) bear all of the expense for making any such alteration or removal, and all of the expense for any damage or destruction done to any portion of the Project which was not reported as part of the proposed alteration or removal, and all of the expense for any damage or destruction done to any of the contents of the Building, and (iv) in the event of a mortgage foreclosure on the Mortgaged Project under the Indenture, or sale of, or a mortgage foreclosure on the addition to the Building, directly bear the expense or be responsible for and obligated to pay to the Lessor or Trustee such sums as the Lessor and/or Trustee may expend, to restore those portions of the Building which were altered or removed to the condition which they were in immediately preceding such alteration or removal or such other lesser restorations as the Trustee deems necessary in order to foreclose the mortgage under the Indenture on a paper distribution center as self-contained and complete as the paper distribution center was immediately prior to any such alteration or removal.

The Lessor agrees that upon receipt of the notice, certificate and money required in this Section to be furnished to it by Lessee, the Lessor will promptly deliver the money to Trustee for deposit in the Bond Fund and to secure from the Trustee a release, if necessary, from the lien of the Indenture of such portion of the project with respect to which the Lessee shall have exercised the option granted to it in this Section. Nothing herein shall entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof, except as otherwise provided in Section 5.3 hereof. Any addition to the Building constructed pursuant to this Section shall not become a part of the Project or be made subject to the lien of the Indenture, unless the Lessee expressly agrees thereto in writing.

(End of Article XI)

ARTICLE XII

Miscellaneous

Section 12.1. Notices. All notices, certificates or other communciations hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows:

If to the Lessor: at City Building, Fort Wayne, Indiana 46802.

If to the Lessee: at Attention:

If to the Trustee: at Corporate Trust Department, 203 East Berry Street, Fort Wayne, Indiana 46266

A duplicate copy of each notice, certificate or other communication given hereunder by either the Lessor or the Lessee to the other shall also be given to the Trustee. The Lessor, the Lessee, and the Trustee may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates or other communication shall be sent.

Section 12.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Section 8.3, 9.1 and 9.3 hereof.

Section 12.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4. Amounts Remaining in Bond Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon expiration or sooner termination of the Lease Term, as provided in this Lease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the Trustee and paying agents in accordance with the Indenture and all other amounts required to be paid under this Lease and the Indenture shall belong to and be paid to the Lessee by the Trustee as a refund of overpayment of rents.

Section 12.5. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or in the Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee.

Section 12.6. Execution Counterparts. This Lease may be executed in several counterparts, each of which shall be an original.

Section 12.7. Other Instruments.

(a) In order to assure perfection of the respective security interests of the Lessor and the Trustee in and to certain tangible personal property which may constitute a part of the machinery or equipment of the Project, the Lessee agrees that on the Completion Date it will furnish the Lessor and the Trustee with a written opinion of counsel to the effect that all appropriate steps on the part of the Lessee then necessary to permit perfection of such respective interests of the Lessor and the Trustee under the Indenture as may be created by this Lease in and to all tangible personal property as against third party creditors of and purchasers for value in good faith from the Lessor or the Lessee have been taken.

The Lessor agrees that on the Completion Date it will furnish the Trustee with a written opinion of counsel to the effect that all appropriate steps on the part of the Lessor then requisite to perfection (as aforesaid) of the respective security interests of the Trustee and the Lessor in and to all such personal property have been taken.

Thereafter and at any such time as additional tangible personal property, whether as substitutions, replacements or otherwise, of an aggregate value in excess of Ten Thousand Dollars ($10,000) shall become part of the Project, the Lessee agrees to furnish to the Trustee, supplements to the aforementioned written opinions of counsel to the effect that all steps requisite to perfection of the foregoing security interests have been duly taken.

All opinions required by this Section 12.7 shall specify the further refilings and renewals required in order to continue perfection of such security interest for so long as the Bonds shall be outstanding under the terms of the Indenture.

(b) The Lessee and the Lessor agree to enter into and sign all instruments (including financing statements) deemed necessary or advisable in the written opinion of counsel for perfection of and continuance of the perfection of the respective security interests as aforesaid. The Lessor agrees to file and record or cause to be filed and recorded all such instrument required to be so filed and recorded and shall continue or cause to be continued the liens of such instruments for so long as the Bonds shall be outstanding under the terms of the Indenture.

The Lessee shall pay the reasonable costs incurred by the Lessor in performing its obligation under this Section 12.7.

Section 12.8. Net Lease. This lease shall be deemed and construed to be a "net lease" and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, without abatement, deduction or set-off other than those herein expressly provided.

Section 12.9. Force Majeure. In case by reason of force majeure either party hereto shall be rendered unable to wholly or in part to carry out its obligations under this Lease other than the obligation of the Lessee to make the rental payments required under the terms hereof, then except as otherwise provided in this Lease if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

The term "force majeure," as employed herein, shall mean the acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or the State of Indiana or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraining of government and people, civil disturbances, explosions, breakage or accidents to machinery, transmission pipes or canals, partial or entire failure of utilities or any other cause not reasonably within the control of the party claiming such inability.

It is understood and agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party when such course is unfavorable in the judgment of the party having the difficulty.

Section 12.10. Unsuccessful Sale of Bonds. It is understood and agreed that the obligations of the Lessor under this Lease are based upon its ability to negotiate successfully the issuance, sale and delivery of the Bonds. Accordingly, it is understood and agreed that in the event of a failure to successfully issue, sell and deliver the Bonds or failure by the Lessor to deposit the applicable Bond proceeds promptly in a Project Fund for the account of said Project or in Bond Fund then this Lease shall be of no binding force and effect, and the Lessor and the Lessee in such event do hereby mutually release and discharge any and all claims of any character whatsoever which either may have against the other by reason of or arising from the failure of this Lease for such cause.

It is also understood and agreed that the obligations of the Lessee under this Lease are conditional upon the ability of the Lessor to negotiate successfully the issuance, sale and delivery of the Bonds upon such a basis that the adjusted rentals hereinbefore provided will be satisfactory to the Lessee, such rentals being adjusted to the exact interest and principal requirements of the Bonds as the same are determined by the sale of the Bonds. Lessee shall be obligated to pay only such adjusted rentals. Such condition as to such rentals being satisfactory to the Lessee shall be satisfied upon a representative of the Lessee stating in writing that a certain interest rate or rates on the Bonds is or are satisfactory.

In the event of a failure to successfully sell the Bonds, the Lessor shall convey to Lessee any and all properties previously conveyed to the Lessor by the Lessee or others for this Project upon payment by Lessee to the Lessor of its cost, if any, of acquisition of such properties, and the Trustee shall release upon behalf of such Bondholders all interest, if any, which they have to such property if such action should ever be deemed necessary to be taken by the Trustee, although it is hereby expressly agreed that such action is not necessary, since in the event of the failure to issue the Bonds there would be no Bondholders who would have any interest in such property.

(End of Article XII)

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF FORT WAYNE, INDIANA

By_____
Winfield C. Moses, Jr., Mayor

(SEAL)

Attest:

_____
Charles W. Westerman, Clerk

P.F.D., an Indiana General Partnership

By_____
General Partner

(SEAL)

Attest:

_____

The interest of City of Fort Wayne, Indiana, in this Lease Agreement has been assigned to the Anthony Wayne Bank as Trustee, under the Mortgage and Indenture of Trust, dated as of_____ ____, 1980, from City of Fort Wayne, Indiana.

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

Before me, _____ a Notary Public, in and for the State and County aforesaid, personally appeared Winfield C. Moses, Jr. and Charles W. Westerman, with both of whom I am personally acquainted, and who, upon their oaths, acknowledged themselves to be the Mayor and Clerk, respectively of City of Fort Wayne, Indiana, one of the within named bargainers, and that they, as such Mayor and Clerk being authorized so to do, executed the foregoing instrument for the purposes contained therein by subscribing thereto the name of said City and attesting the official seal of said City by themselves as such Mayor and Clerk, respectively.

WITNESS my hand and notarial seal of office at Fort Wayne, Indiana, this ____ day of _____, 1980.

_____
Notary Public

My County of residence is:

_____

(SEAL)

My Commission Expires:

_____

STATE OF _____)
) SS:
COUNTY OF _____)

Before me, _____, a Notary Public, in and for the State and County aforesaid, personally appeared _____, with whom I am personally acquainted, and who, upon his oath, acknowledged himself to be a General Partner of P.F.D., one of the within named bargainers, and that he, as such General Partner, being authorized to so do, executed the foregoing instrument for the purposes contained therein by subscribing thereto the name of said Company by himself as General Partner.

WITNESS my hand and notarial seal of office at Fort Wayne, Indiana, this ____ day of _____, 1980.

_____
Notary Public

My County of residence is:

_____

(SEAL)

My commission expires:

_____

EXHIBIT A

Real Estate Description

This instrument prepared by Lawrence E. Shine, Parker, Hoover, Keller & Waterman, Suite 200 Strauss Building, Fort Wayne, Indiana 46802

EXHIBIT B

Leased Equipment

This instrument prepared by Lawrence E. Shine, Parker, Hoover, Keller & Waterman, Suite 200 Strauss Building,Fort Wayne, Indiana 46802.

CERTIFICATE OF RECORDER

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

I, _____, the duly elected, qualified and acting recorder of Allen County, Indiana, hereby certify that on the ____ day of _____, 1980, there was filed in my office for recording an executed counterpart on the attached Lease Agreement between City of Fort Wayne, Indiana, and P.F.D., an Indiana general partnership, and that the fee for the recording of said instrument was paid in full on said date.

I further certify that said Lease Agreement was recorded as Instrument No._____, now appears of record in _____ Record_____, Pages _____, of which record I am the legal custodian.

Dated this ____ day of _____, 1980.

_____
Recorder of Allen County

(SEAL)